
**THE VILLAGE OF WILLOW SPRINGS
COOK COUNTY, ILLINOIS**

ORDINANCE

NUMBER 2012-O-04

AN ORDINANCE authorizing the issuance of \$1,765,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2012B, of the Village of Willow Springs, Cook County, Illinois, for the purpose of refunding certain outstanding obligations of the Village and providing for the imposition of taxes and the collection, segregation and distribution of certain revenues of the Village to pay said bonds.

**ALAN NOWACZYK, President
ADENA BASKOVICH, Village Clerk**

**Trustees
GEORGE BARTIK
MARIO IMBARRATO
ANNETTE KAPTUR
KEVIN MALONEY
KATHRYN STANPHILL
JERRY STRAZZANTE**

Adopted by the President and
Board of Trustees on the
23rd day of February, 2012.

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This Table of Contents is for convenience only and is not a part of the ordinance.

ORDINANCE NUMBER 2012-O-04

AN ORDINANCE authorizing the issuance of \$1,765,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2012B, of the Village of Willow Springs, Cook County, Illinois, for the purpose of refunding certain outstanding obligations of the Village and providing for the imposition of taxes and the collection, segregation and distribution of certain revenues of the Village to pay said bonds.

WHEREAS, the Village of Willow Springs, Cook County, Illinois (the "*Village*"), is a duly organized and existing municipality created under the provisions of the laws of the State of Illinois, and is now operating under the provisions of the Illinois Municipal Code, as supplemented and amended (the "*Municipal Code*"); and

WHEREAS, the President and Board of Trustees of the Village (the "*Corporate Authorities*") have heretofore determined and do hereby determine that it is advisable, necessary and in the best interests of the Village and its residents, in order to promote the public health, welfare, safety and convenience, to undertake a redevelopment plan (the "*Plan*") and project (the "*Project*") in order to assure the redevelopment of the Willow Springs Village Center Redevelopment Project Area (the "*Project Area*"); and

WHEREAS, in order to pay a portion of the costs of the Project the Village has heretofore issued and there are now outstanding certain General Obligation Bonds (Alternate Revenue Source), Series 2002A (the "*2002A Bonds*"), General Obligation Refunding Bonds (Alternate Revenue Source), Series 2004B, General Obligation Bonds (Alternate Revenue Source), Series 2006 (the "*2006 Bonds*") and General Obligation Refunding Bonds (Alternate Revenue Source), Series 2009B (collectively, the "*Prior Alternate Bonds*"); and

WHEREAS, the Corporate Authorities have heretofore, and it hereby is expressly, determined that it may be possible to refund the 2002A Bonds prior to maturity and thereby achieve a debt service savings (the "*2012B Alternate Bond Purpose*" and the "*Refunding*") as follows:

GENERAL OBLIGATION BONDS (ALTERNATE REVENUE SOURCE), SERIES 2002A

Original Principal Amount: \$2,135,000

Dated: September 15, 2002

Originally Serially or Subject to
Mandatory Redemption: December 15, 2005 to June 15, 2022, inclusive

Amount to be refunded: \$1,720,000

Outstanding Prior Bonds subject to redemption and to be refunded due on the dates and described as follows:

| DATE | AMOUNT (\$) ORIGINAL BONDS DUE | RATE OF INTEREST (%) | AMOUNT (\$) TO BE REFUNDED |
|------------|--------------------------------------|-------------------------|-------------------------------|
| 12-15-2012 | 105,000 | 3.80 | All |
| 12-15-2013 | 115,000 | 4.00 | All |
| 12-15-2014 | 55,000 | 4.00 | All |
| 12-15-2015 | 130,000 | 4.20 | All |
| 12-15-2016 | 145,000 | 4.20 | All |
| 12-15-2017 | 50,000 | 4.45 | All |
| 12-15-2018 | 155,000 | 4.45 | All |
| 12-15-2019 | 120,000 | 4.80 | All |
| 12-15-2020 | 45,000 | 4.80 | All |
| 12-15-2021 | 400,000 | 4.80 | All |
| 06-15-2022 | 400,000 | 4.85 | All |

which Prior Bonds are subject to redemption on any date on or after December 15, 2011, at a redemption price of par plus accrued interest to the date of redemption; and

WHEREAS, pursuant to the provisions of the Local Government Debt Reform Act, as amended (the "*Reform Act*"), "*Alternate Bonds*" as defined in the Reform Act may be issued for the 2012B Alternate Bond Purpose, as follows:

Alternate bonds may be issued to refund or advance refund alternate bonds without meeting any of the conditions of Section 15 of the Reform Act, except that the term of the refunding bonds shall not be longer than the term of the refunded bonds and that the debt service payable in any year on the refunding bonds

shall not exceed the debt service payable in such year on the refunding bonds (the "*Refunding Conditions*"); and

WHEREAS, it is necessary and for the best interests of the Village that the 2012B Alternate Bond Purpose be undertaken, and in order to raise the funds required for such purpose, it will be necessary for the Village to borrow an amount of \$1,765,000 and in evidence thereof to issue Alternate Bonds, being general obligation bonds, all as provided by the Reform Act, in an aggregate principal amount of \$1,765,000; and

WHEREAS, certain officers of the Village shall be hereinafter expressly authorized to undertake the Refunding; and

WHEREAS, pursuant to the proceedings authorizing the issuance of the Prior Alternate Bonds the Corporate Authorities expressly reserved the right to issue Additional Bonds from time to time payable from the hereinafter defined Limited Incremental Property Taxes, any such Additional Bonds to share ratably and equally in the Limited Incremental Property Taxes with the Prior Alternate Bonds, upon compliance with the provisions of the Reform Act as the Reform Act is written at the time the Prior Alternate Bonds were issued; and

WHEREAS, the Corporate Authorities have heretofore and it hereby is determined that the provisions of the Reform Act as the Reform Act was written at the time the Prior Alternate Bonds were issued can now be met and the Village is now authorized to issue such additional bonds and is further authorized to leave such Prior Alternate Bonds outstanding as shall be deemed desirable, and such Prior Alternate Bonds and the hereinafter defined 2012B Alternate Bonds shall be ratably and equally secured by the hereinafter defined Limited Incremental Property Taxes; and

WHEREAS, the Corporate Authorities hereby determine that the amount of bonds required to be issued to effectuate the Refunding is \$1,765,000 (being the "*2012B Alternate Bonds*"); and

WHEREAS, the 2012B Alternate Bonds to be issued will be payable from (i) ratably and equally with the Prior Alternate Bonds, the Limited Incremental Property Taxes and (ii) the 2012B Full Faith and Credit Taxes, as hereinafter defined; and

WHEREAS, the Corporate Authorities have heretofore and it is herein more explicitly determined that the Limited Incremental Property Taxes will be sufficient to provide or pay in each year to final maturity of the 2012B Alternate Bonds an amount not less than 1.25 times debt service of the 2012B Alternate Bonds proposed to be issued and the Prior Alternate Bonds; and

WHEREAS, the Corporate Authorities hereby expressly recite that the Alternate Bonds proposed to be issued are issued in part pursuant to the Reform Act and that such recital shall be conclusive as against the Village, the Corporate Authorities and any other person as to the validity of the Alternate Bonds proposed to be issued and as to their compliance with the Reform Act; and

WHEREAS, the Corporate Authorities have heretofore, and it hereby expressly is, determined that the Bond Issue Notification Act, as amended, does not require any public hearing for the issuance of refunding bonds; and

WHEREAS, in the exercise of its intergovernmental cooperation authority and power as provided in the 1970 Constitution of the State of Illinois and the Intergovernmental Cooperation Act, as amended, and as supplemented by the TIF Act, the Village has heretofore entered into that certain Intergovernmental Tax Increment Financing Agreement, dated as of March 11, 1999, with certain taxing districts (the "*School Districts*") affected by the Plan and Project (as amended, the "*Intergovernmental Agreement*"); and

WHEREAS, pursuant to the Intergovernmental Agreement the Corporate Authorities have heretofore, and it is expressly hereby, determined that it is advisable and necessary that the

Village assist said taxing districts and that accordingly, the Village shall make certain payments thereto as therein provided; and

WHEREAS, the Intergovernmental Agreement is hereby ratified and confirmed:

NOW THEREFORE Be It Ordained by the President and Board of Trustees of the Village of Willow Springs, Cook County, Illinois, as follows:

SECTION 1. DEFINITIONS. A. The following words and terms are as defined in the preambles.

2012B Alternate Bond Purpose

2012B Alternate Bonds

2002A Bonds

2006 Bonds

Corporate Authorities

Intergovernmental Agreement

Municipal Code

Plan

Prior Alternate Bonds

Project

Project Area

Reform Act

Refunding

Refunding Conditions

School Districts

Village

B. The words and terms used in this Ordinance shall have the meanings set forth and defined for them herein unless the context or use clearly indicates another or different meaning is intended, including the words and terms as follows:

"Accounting" means the annual accounting so defined in (Section 12 of) this Ordinance.

"Alternate Bonds" means any Outstanding Bonds issued as alternate bonds under and pursuant to the provisions of the Reform Act, and includes, expressly, the Bonds.

"Additional Bonds" means any bonds or obligations issued in the future on a parity with and sharing ratably and equally in the Limited Incremental Property Taxes with the Prior Alternate Bonds and the Bonds and which are senior to the Junior Lien Bonds and the Second Subordinated Lien Bonds as to the lien thereof on the Limited Incremental Property Taxes.

"Applicable Law" means, collectively, the Municipal Code, including, specifically, the TIF Act and the Reform Act.

"Bond" or *"Bonds"* or *"2012B Alternate Bonds"* means one or more, as applicable, of the \$1,765,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2012B, authorized to be issued by this Ordinance.

"Bond Counsel" means Chapman and Cutler LLP, Chicago, Illinois.

"Bond Fund" means the 2012B Alternate Bond Fund established hereunder and further described by (Section 18 of) this Ordinance.

"Bond Insurer" means any issuer of a financial guaranty or municipal bond insurance policy relating to the Bonds, or successors and assigns.

"Bond Moneys" means the Pledged Moneys and investment income thereon.

"Bond Register" means the books of the Village kept by the Trustee to evidence the registration and transfer of the Bonds.

"Bond Year" means that twelve-calendar month period beginning on December 16 of any calendar year and ending on the subsequent December 15.

"Business Day" means any day other than a day on which banks in the city of the Trustee's principal corporate trust office are required or authorized to close.

"Code" means the Internal Revenue Code of 1986, as amended.

"Commitment" means the commitment to issue a municipal bond insurance policy for the Bonds issued by a Bond Insurer.

"County" means The County of Cook, Illinois

"County Clerk" means the County Clerk of the County.

"Depository" means The Depository Trust Company, New York, New York, as securities depository for the Bonds hereunder, or successor or assign duly qualified to act as a securities depository under this Ordinance.

"Designated Officers" means the President, Village Clerk, Village Treasurer and Village Administrator, or any of them acting together, and successors or assigns.

"Expense Fund" means the fund established hereunder and further described by (Section 24 of) this Ordinance.

"Fiscal Year" means that twelve-calendar month period selected by the Corporate Authorities as the fiscal year for the Village.

"2012B Full Faith and Credit Taxes" means the ad valorem taxes levied against all of the taxable property in the Village without limitation as to rate or amount, pledged hereunder by the Village as security for the Bonds.

"Government Securities" means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of the United States of America and all securities or obligations, the prompt payment of principal and interest of which is guaranteed by a pledge of the full faith and credit of the United States of America.

"Incremental Property Taxes" means the ad valorem taxes, if any, arising from the tax levies upon taxable real property in the Project Area by any and all taxing districts or municipal corporations having the power to tax real property in the Project Area, which taxes are attributable to the increase in the then current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the Project Area over and above the Total Initial Equalized Assessed Value of each such piece of property, all as determined by the County Clerk in accord with Section 11-74.4-9 of the Act.

"Independent" when used with respect to any specified person means such person who is in fact independent and is not connected with the Village as an officer, employee, underwriter, or person performing a similar function. Whenever it is herein provided that the opinion or report of any Independent person shall be furnished, such person shall be appointed by the Village, and such opinion or report shall state that the signer has read this definition and that the signer is Independent within the meaning hereof.

"Interest Payment Date" means a Stated Maturity of interest on the Bonds.

"Interest Requirement" means for any Bonds, Prior Alternate Bonds, Additional Bonds, Junior Lien Bonds, or Second Subordinated Lien Bonds and for any Bond Year the aggregate amount of interest on such Bonds, Additional Bonds, Junior Lien Bonds or Second Subordinated Lien Bonds having a Stated Maturity during such Bond Year.

"Intergovernmental Agreement" means that certain Intergovernmental Tax Increment Financing Agreement dated as of March 11, 1999, among the Village, School District Number 108, Cook County, Illinois, and Community High School District Number 217, Cook County, Illinois, as amended.

"Intergovernmental Share" means not more than twenty-five percent (25%) of the Incremental Property Taxes, adjusted as provided in the Intergovernmental Agreement.

"Junior Lien Bonds" means any obligations of the Village hereafter issued and payable from Limited Incremental Property Taxes, if any, on deposit in the Junior Lien Principal and Interest Account and includes, specifically, any redevelopment notes issued pursuant to Section 3.1(b) of the Redevelopment Agreement.

"Junior Lien Principal and Interest Account" means the account so named and created in (Section 12 of) this Ordinance.

"Limited Incremental Property Taxes" means not less than seventy-five percent (75%) of the Incremental Property Taxes, adjusted as provided in Section 17 of the Intergovernmental Agreement.

"Municipal Code" means the Illinois Municipal Code, as supplemented and amended.

"Ordinance" means this ordinance as originally adopted and as the same may from time to time be amended or supplemented.

"Outstanding" or *"outstanding"* refers to Bonds, Prior Alternate Bonds, Additional Bonds, Junior Lien Bonds or Second Subordinated Lien Bonds which are outstanding and unpaid; *provided, however*, such term shall not include Bonds, Prior Alternate Bonds, Additional Bonds, Junior Lien Bonds or Second Subordinated Lien Bonds which (i) have matured and for which moneys are on deposit with proper Trustees, or are otherwise properly available, sufficient to pay all principal and interest thereof, or (ii) the provision for payment of which has been made by the Village by the deposit in an irrevocable trust or escrow account of funds or direct, full faith and credit obligations of the United States of America, the principal of and interest on which will be sufficient to pay at maturity or as called for redemption all of the principal of and interest and any applicable premium on such Bonds, Prior Alternate Bonds, Additional Bonds, Junior Lien Bonds or Second Subordinated Lien Bonds.

"Plan" means the comprehensive program of the Village for the redevelopment of the Project Area heretofore approved by the Corporate Authorities by an ordinance adopted on March 11, 1999, and together with any further amendments and supplements thereto.

"Pledged Moneys" means, collectively, the Limited Incremental Property Taxes and the 2012B Full Faith and Credit Taxes as both are defined herein.

"Principal Requirement" means for any Bonds, Prior Alternate Bonds, Additional Bonds, Junior Lien Bonds or Second Subordinated Lien Bonds and for any Bond Year the aggregate principal amount of such Bonds, Additional Bonds, Junior Lien Bonds or Second Subordinated Lien Bonds having a Stated Maturity during such Bond Year.

"Program Expenses" means the annual administrative costs of the Village, not to exceed \$100,000 in any one calendar year, related to the administration of the Plan, the Project, the Project Area, and the Project.

"Project" means the redevelopment project heretofore approved by the Corporate Authorities pursuant to an ordinance, adopted on March 11, 1999, in furtherance of the objectives of the Plan.

"Project Area" means the Willow Springs Village Center Redevelopment Project Area heretofore designated by the Corporate Authorities in accord with the provisions of the TIF Act.

"Purchase Price" means the price to be paid for the Bonds by the Purchaser, to-wit \$1,779,889.10 (being the par amount of the Bonds, plus original issue premium in the amount of \$50,752.05 and net of underwriter's discount in the amount of \$35,862.95), plus accrued interest to the date of delivery, if any.

"Purchaser" means BOSC, Inc., Menomonee Falls, Wisconsin.

"Qualified Investments" means Government Securities and such other investments as are authorized for the Village under Illinois law.

"Redevelopment Agreement" means that certain agreement dated as of September 9, 1999, as supplemented and amended, by and between the Village and Heritage Renaissance Partners, L.L.C., an Illinois limited liability company,

"Representation Letter" means the written letter or agreement to be executed by and between the Village and the Depository in order to effectuate a book-entry system for the Bonds.

"School Districts" means the school districts which are parties to the Intergovernmental Agreement.

"Second Subordinated Lien Bonds" means any obligations of the Village hereafter issued and payable from Limited Incremental Property Taxes, if any, on deposit in the Second Subordinated Lien Principal and Interest Account and includes, specifically, any subordinate redevelopment notes issued pursuant to Section 3.1(e) of the Redevelopment Agreement.

"Second Subordinated Lien Principal and Interest Account" means the account so named and created in (Section 12 of) this Ordinance.

"Senior Lien Bonds" means the Bonds, the Prior Alternate Bonds and any Additional Bonds.

"Special Tax Allocation Fund" means the Special Tax Allocation Fund for the Willow Springs Village Center Redevelopment Project Area, heretofore established by the Village on March 11, 1999, and expressly continued hereunder.

"Stated Maturity" when used with respect to any Bond, Additional Bond, Junior Lien Bond or Second Subordinated Lien Bond or any interest thereon means the date specified in such Bond, Additional Bond, Junior Lien Bond, or Second Subordinated Lien Bond as the fixed date on which the principal of such Bond, Additional Bond, Junior Lien Bond, or Second Subordinated Lien Bond or such interest is due and payable whether by maturity, mandatory redemption, or otherwise.

"Tax-exempt" means, with respect to the Bonds, the status of interest paid and received thereon as excludable from the gross income of the owners thereof under the Code for federal income tax purposes and as not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code, but as taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

"Tax Year" means the year for which an ad valorem tax levy is made by any and all taxing districts or municipal corporations having the power to tax real property in the Project Area. The 2011 Tax Year shall be that year during which ad valorem taxes levied for the year 2011 (collectible in the year 2012) are extended and collected, and so on.

"TIF Act" means the Tax Increment Allocation Redevelopment Act of the State of Illinois, as supplemented and amended (65 ILCS 5/11-74.4-1 *et seq.*).

"Total Initial Equalized Assessed Value" means the total initial equalized assessed value of the taxable real property within the Project Area determined by the County Clerk in accordance with the provisions of Section 11-74.4-9 of the Act.

"Trustee" means Amalgamated Bank of Chicago, Chicago, Illinois, having trust powers, or a successor bank with trust powers or a trust company, duly authorized to do business as a trustee, bond registrar and paying agent as herein required.

"Village" means the Village of Willow Springs, Cook County, Illinois.

SECTION 2. INCORPORATION OF PREAMBLES. The Corporate Authorities hereby finds that the recitals contained in the preambles to this Ordinance are true and correct and hereby incorporates them into this Ordinance by this reference.

SECTION 3. DETERMINATION TO ISSUE BONDS. It is necessary and in the best interests of the Village for the Village to undertake the Refunding in order to achieve a debt service savings, and to issue the Bonds to enable the Village to pay the costs thereof.

SECTION 4. DETERMINATION OF PUBLIC PURPOSE. The Corporate Authorities hereby determine the Refunding to be a proper corporate and public purpose as heretofore approved in the redevelopment plan and project for the Project Area and further expressly hereby determine that the costs of the Refunding are "redevelopment project costs" as defined in the TIF Act.

SECTION 5. BOND DETAILS. A. For the purpose of providing for the Refunding, there shall be issued and sold Bonds in the aggregate principal amount of \$1,765,000.

B. The Bonds shall each be designated "*General Obligation Refunding Bond (Alternate Revenue Source), Series 2012B*" and shall be dated the date of issuance (the "*Dated Date*"); and each Bond shall also bear the date of authentication thereof. The Bonds shall be fully registered and in Book Entry Form, shall be in denominations of \$5,000 or integral multiples thereof (but no single Bond shall represent principal maturing on more than one date), and shall be numbered consecutively in such fashion as shall be determined by the Trustee. The Bonds shall become due and payable serially (without right of prior redemption) on the dates and shall bear interest at the rates percent per annum as follows:

| DATE | AMOUNT(\$) | RATE (%) |
|------------|------------|----------|
| 12-15-2012 | 105,000 | 2.250 |
| 12-15-2013 | 130,000 | 2.250 |
| 12-15-2014 | 70,000 | 2.250 |
| 12-15-2015 | 140,000 | 2.250 |
| 12-15-2016 | 155,000 | 2.250 |
| 12-15-2017 | 55,000 | 2.500 |
| 12-15-2018 | 160,000 | 2.625 |
| 12-15-2019 | 120,000 | 2.750 |
| 12-15-2020 | 45,000 | 3.000 |
| 12-15-2021 | 400,000 | 3.125 |
| 06-15-2022 | 385,000 | 3.250 |

C. Each Bond shall bear interest from the later of its Dated Date as herein provided or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of such Bond is paid or duly provided for, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable on June 15 and December 15 of each year, commencing on June 15, 2012. Interest on each Bond shall be paid by check or draft of the Trustee, payable upon presentation thereof in lawful money of the United States of America, to the person in whose name such Bond is registered at the close of business on the applicable Record Date and mailed to the registered owner of the Bond as shown in the Register or at such other address furnished in writing by such Registered Owner, or as otherwise may be agreed with the Depository for so long as the Depository or its nominee is the registered owner as of a given Record Date. The principal of the Bonds shall be payable in lawful money of the United States of America upon presentation thereof at the office of the Trustee maintained for the purpose or at successor Trustee or locality.

SECTION 6. EXECUTION; AUTHENTICATION. The Bonds shall be executed on behalf of the Village with the manual or duly authorized facsimile signature of the Village President and attested with the manual or duly authorized facsimile signature of the Village Clerk, as they may determine, and shall have impressed or imprinted thereon the corporate seal or facsimile thereof

of the Village. In case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

All Bonds shall have thereon a certificate of authentication substantially in the form hereinafter set forth duly executed by the Trustee as authenticating agent of the Village and showing the date of authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until such certificate of authentication shall have been duly executed by the Trustee by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Ordinance. The certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer of the Trustee, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

SECTION 7. REDEMPTION.

A. OPTIONAL REDEMPTION. The Bonds are not subject to optional redemption prior to maturity.

B. TERM BONDS; MANDATORY REDEMPTION AND COVENANTS; EFFECT OF PURCHASE OF TERM BONDS. The Bonds are not subject to mandatory redemption.

SECTION 8. REDEMPTION PROCEDURE. Reserved.

SECTION 9. BOOK-ENTRY SYSTEM AUTHORIZED; REGISTRATION OF BONDS; OWNERS.

A. BOOK-ENTRY SYSTEM AUTHORIZED. The Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities of the Bonds. Upon initial issuance, the ownership of each such Bond shall be registered in the Bond Register in the name of "Cede & Co.", or any successor thereto, as nominee of the Depository. All of the outstanding

Bonds from time to time shall be registered in the Bond Register in the name of Cede & Co., as nominee of the Depository. The Treasurer of the Village and the Trustee are authorized to execute and deliver on behalf of the Village a Representation Letter. Without limiting the generality of the authority given with respect to entering into such Representation Letter, it may contain provisions relating to (a) payment procedures, (b) transfers of the Bonds or of beneficial interests therein, (c) redemption notices and procedures unique to the Depository, (d) additional notices or communications, and (e) amendment from time to time to conform with changing customs and practices with respect to securities industry transfer and payment practices.

With respect to Bonds registered in the Bond Register in the name of Cede & Co., as nominee of the Depository, the Village and the Trustee shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which the Depository holds Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a "*Depository Participant*") or to any person on behalf of whom such a Depository Participant holds an interest in the Bonds. Without limiting the meaning of the immediately preceding sentence, the Village and the Trustee shall have no responsibility or obligation with respect to (a) the accuracy of the records of the Depository, Cede & Co., or any Depository Participant with respect to any ownership interest in the Bonds, (b) the delivery to any Depository Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any notice with respect to the Bonds, including any notice of redemption, or (c) the payment to any Depository Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any amount with respect to principal of or interest on the Bonds. No person other than a registered owner of a Bond as shown in the Bond Register shall receive a Bond certificate with respect to any Bond. Upon delivery by the Depository to the Trustee of written notice to the effect that the Depository has

determined to substitute a new nominee in place of Cede & Co., and subject to the provisions hereof with respect to the payment of interest to the registered owners of Bonds at the close of business on the applicable record date, the name "*Cede & Co.*" in this Ordinance shall refer to such new nominee of the Depository.

In the event that (a) the Village determines that the Depository is incapable of discharging its responsibilities described herein and in the Representation Letter, (b) the agreement among the Village, the Trustee and the Depository evidenced by the Representation Letter shall be terminated for any reason or (c) the Village determines that it is in the best interests of the Village or of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Village shall notify the Depository and the Depository Participants of the availability of Bond certificates, and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede & Co., as nominee of the Depository. The Village may determine that the Bonds shall be registered in the name of and deposited with a successor depository operating a book-entry system, as may be acceptable to the Village, or such depository's agent or designee, and if the Village does not select such alternate book-entry system, then the Bonds may be registered in whatever name or names registered owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions hereof. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of the Depository, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Representation Letter.

B. REGISTRATION. The Village shall cause the Bond Register to be kept at the principal office maintained for the purpose by the Trustee, which is hereby constituted and appointed the registrar of the Village for the Bonds. The Village is authorized to prepare, and the Trustee or

such other agent as the Village may designate shall keep custody of, multiple Bond blanks executed by the Village for use in the transfer and exchange of Bonds.

Any Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in this Ordinance. Upon surrender for transfer or exchange of any Bond at the office of the Trustee, duly endorsed by or accompanied by a written instrument or instruments of transfer or exchange in form satisfactory to the Trustee and duly executed by the registered owner or an attorney for such owner duly authorized in writing, the Village shall execute and the Trustee shall authenticate, date and deliver in the name of the transferee or transferees or, in the case of an exchange, the registered owner, a new fully registered Bond or Bonds of like tenor, of the same maturity, bearing the same interest rate, of authorized denominations, for a like aggregate principal amount.

The Trustee shall not be required to transfer or exchange any Bond during the period from the close of business on the 15th day preceding an Interest Payment Date on the Bonds or the giving of notice of redemption of Bonds to the opening of business on such Interest Payment Date or to transfer or exchange any Bond all or a portion of which has been called for redemption.

The execution by the Village of any fully registered Bond shall constitute full and due authorization of such Bond, and the Trustee shall thereby be authorized to authenticate, date and deliver such Bond; *provided, however*, the principal amount of Bonds of each maturity authenticated by the Trustee shall not at any one time exceed the authorized principal amount of Bonds for such maturity less the amount of such Bonds which have been paid.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Bond shall be made only to or upon the order of the registered owner thereof or the owner's legal

representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid. No service charge shall be made for any transfer or exchange of Bonds, but the Village or the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

SECTION 10. FORM OF BOND. The Bonds shall be in substantially the form hereinafter set forth; *provided, however*, that if the text of the Bonds is to be printed in its entirety on the front side of the Bonds, then the second paragraph on the front side and the legend "See Reverse Side for Additional Provisions" shall be omitted and the text of paragraphs set forth for the reverse side shall be inserted immediately after the first paragraph.

[Form of Bond - Front Side]

REGISTERED
No. _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA

STATE OF ILLINOIS

COUNTY OF COOK

VILLAGE OF WILLOW SPRINGS

**GENERAL OBLIGATION REFUNDING BOND
(ALTERNATE REVENUE SOURCE)
SERIES 2012B**

See Reverse Side for
Additional Provisions

| | | | |
|-------------|-------------------------|---------------------|--------------|
| Interest | Maturity | Dated | |
| Rate: ____% | Date: December 15, ____ | Date: March 8, 2012 | CUSIP 971201 |

Registered Owner: CEDE & Co.

Principal Amount:

KNOW ALL PERSONS BY THESE PRESENTS that the Village of Willow Springs, Cook County, Illinois, a municipality and unit of local government and political subdivision of the State of Illinois (the "*Village*"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the later of the Dated Date of this Bond identified above or from the most recent Interest Payment Date to which interest has been paid or duly provided for at the Interest Rate per annum identified above, such interest to be payable semiannually on June 15 and December 15 of each year, commencing on June 15, 2012, until the Principal Amount is paid or duly provided

for, except as the hereinafter stated provisions for redemption prior to maturity may and shall become applicable hereto. The Principal Amount of this Bond and premium, if any, hereon are payable in lawful money of the United States of America upon presentation at the principal office maintained for the purpose by Amalgamated Bank of Chicago, Chicago, Illinois, as trustee, bond registrar and paying agent (the "*Trustee*"). Payment of interest shall be made to the Registered Owner hereof, as shown on the registration books of the Village maintained by Trustee at the close of business on the Regular Record Date and shall be paid by check or draft of the Trustee, payable upon presentation in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Trustee, or as shall otherwise be agreed by the Village and the Depository. If an Interest Payment Date is not a Business Day at the place of payment, then payment may be made at that place on the next Business Day, and no interest shall accrue for the intervening period.

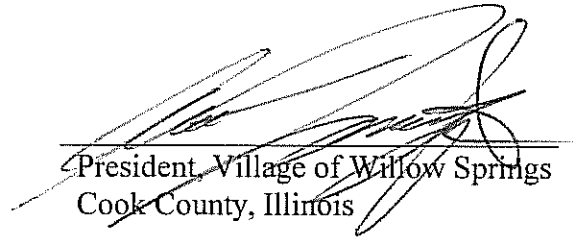
Reference is hereby made to the further provisions of this Bond set forth on the reverse hereof, and such further provisions shall for all purposes have the same effect as if set forth at this place.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the issuance of this Bond have been done and have happened and have been performed in regular and due form of law; that the indebtedness of the Village, including the issue of Bonds of which this is one, does not exceed any limitation imposed by law; that provision has been made for the collection of the Incremental Property Taxes, the levy and collection of the 2012B Full Faith and Credit Taxes, and the segregation of the Pledged Moneys to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity; and that the Village hereby covenants and agrees that it will properly account for said

Pledged Moneys and will comply with all the covenants of and maintain the funds and accounts as provided by the Ordinance. For the prompt payment of this Bond, both principal and interest at maturity, the full faith, credit and resources of the Village are hereby irrevocably pledged.


This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Trustee.

IN WITNESS WHEREOF, the Village of Willow Springs, Cook County, Illinois, by its President and Board of Trustees, has caused this Bond to be executed with the manual or duly authorized facsimile signature of its President and attested by the manual or duly authorized facsimile signature of its Village Clerk and its corporate seal or a facsimile thereof to be impressed or reproduced hereon, all as appearing hereon and as of the Dated Date identified above.



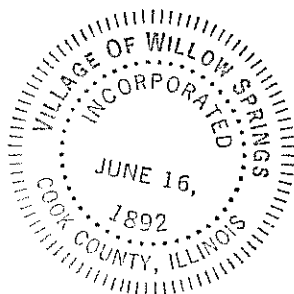
President, Village of Willow Springs
Cook County, Illinois

ATTEST:



Village Clerk, Village of Willow Springs
Cook County, Illinois

[SEAL]



CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____, _____

This Bond is one of the Bonds described in the within-mentioned Ordinance and is one of the General Obligation Refunding Bonds (Alternate Revenue Source), Series 2012B, of the Village of Willow Springs, Cook County, Illinois.

Amalgamated Bank of Chicago,
Chicago, Illinois, as Trustee

[Form of Bond - Reverse Side]

VILLAGE OF WILLOW SPRINGS, COOK COUNTY, ILLINOIS

GENERAL OBLIGATION REFUNDING BOND

(ALTERNATE REVENUE SOURCE)

SERIES 2012B

This bond and the bonds of the series of which it forms a part ("*Bond*" and "*Bonds*" respectively) are of an authorized issue of \$1,765,000 of like dated date and tenor except as to maturity, rate of interest and are issued pursuant to Division 4 of Article 8 and Division 74.4 of Article 11 of the Illinois Municipal Code ("*Applicable Law*") and pursuant to the Local Government Debt Reform Act, all acts of the General Assembly of the State of Illinois, and as supplemented and amended, for the purpose of paying the costs of the Refunding, as more fully described in the Ordinance as hereinbelow defined. The Bonds are issued pursuant to an authorizing ordinance passed by the Corporate Authorities and by a more complete bond ordinance passed by the Corporate Authorities on the 23rd day of February, 2012 (the "*Ordinance*"), to which reference is hereby expressly made for further definitions and terms and to all the provisions of which the Registered Owner by the acceptance of this Bond assents.

The Bonds are payable from (i), ratably and equally with certain heretofore issued and now outstanding General Obligation Refunding Bonds (Alternate Revenue Source), Series 2004B, General Obligation Bonds (Alternate Revenue Source), Series 2006, and General Obligation Refunding Bonds (Alternate Revenue Source), Series 2009B (collectively, the "*Prior Alternate Bonds*"), (a) a portion of the incremental property taxes, if any, derived from the Willow Springs Village Center Redevelopment Project Area of the Village (the "*Limited Incremental Property Taxes*") and (b) the amounts on deposit in and to the credit of the Municipal Account of the Special Tax Allocation Fund for the Willow Springs Village Center Redevelopment Project Area of the Village (the "*Special Tax Allocation Fund*") and (ii) ad valorem taxes levied against all of the taxable property in the Village without limitation as to rate or amount (the "*2012B Full Faith and Credit Taxes*") (the Limited Incremental Property Taxes and the 2012B Full Faith and Credit Taxes being, collectively, the "*Pledged Moneys*"), all in accordance with the provisions of the Applicable Law.

This Bond shall not constitute an indebtedness of the Village within the meaning of any constitutional or statutory provision or limitation, unless the 2012B Full Faith and Credit Taxes shall have been extended pursuant to the general obligation, full faith and credit promise supporting the Bonds, in which case the amount of the Bonds then Outstanding shall be included in the computation of indebtedness of the Village for purposes of all statutory provisions or limitations until such time as an audit of the Village shall show that the Bonds shall have been paid from the Limited Incremental Property Taxes for a complete Fiscal Year.

Under the Applicable Law and the Ordinance, the Limited Incremental Property Taxes shall be deposited into the Municipal Account of the Special Tax Allocation Fund, which shall be used only and has been heretofore pledged for the purposes as set forth in the TIF Act, and in making all payments required to maintain the accounts established under the Ordinance. Bonds

may be issued in the future to share in the Limited Incremental Property Taxes on a parity as to lien with the Prior Alternate Bonds and the Bonds as provided in the Ordinance and the Applicable Law. The 2012B Full Faith and Credit Taxes secure, solely and only, the Bonds, and are not pledged to and will not be available for payment of the Prior Alternate Bonds or any Additional Bonds. Junior Lien Bonds and Second Subordinated Lien Bonds may be issued in the priority of lien as provided in the Ordinance.

Under the Applicable Law and the Ordinance, available Limited Incremental Property Taxes shall be deposited to the credit of the Municipal Account of the Special Tax Allocation Fund and the 2012B Full Faith and Credit Taxes shall be deposited into and segregated in the separate 2012B Alternate Bond Fund, each as provided by the Ordinance. Moneys on deposit in the Municipal Account of the Special Tax Allocation Fund and the 2012B Alternate Bond Fund shall be used and are pledged for paying (first) the principal of and interest on the Bonds, the Prior Alternate Bonds and any Additional Bonds, (second) for paying the Program Expenses, (third) for paying the principal of and interest on any Junior Lien Bonds, (fourth) for paying the principal of and interest on any Second Subordinated Lien Bonds and (last) for any further purposes, all in the priorities of lien and as provided by the terms of the Ordinance.

This Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in the Ordinance.

The Village and the Trustee may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and neither the Village nor the Trustee shall be affected by any notice to the contrary.

THIS BOND IS A "QUALIFIED TAX-EXEMPT OBLIGATION" PURSUANT TO SECTION 265(B)(3) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto

[Identifying Numbers]

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____

as attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature guaranteed: _____

NOTICE The signature to this transfer and assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

SECTION 11. TREATMENT OF BONDS AS DEBT. The Bonds shall be payable from the Pledged Moneys and shall not constitute an indebtedness of the Village within the meaning of any constitutional or statutory limitation, unless the 2012B Full Faith and Credit Taxes shall have been extended pursuant to the general obligation, full faith and credit promise supporting the Bonds, as set forth in (Section 17 of) this Ordinance, in which case the amount of the Bonds then Outstanding shall be included in the computation of indebtedness of the Village for purposes of all statutory provisions or limitations until such time as an audit of the Village shall show that the Bonds have been paid from the Limited Incremental Property Taxes for a complete Fiscal Year, in accordance with the Applicable Law.

SECTION 12. SPECIAL TAX ALLOCATION FUND - ACCOUNTS. (a) The Special Tax Allocation Fund is hereby continued as a special fund of the Village, to be held by the Trustee except as hereinafter expressly provided, which fund shall be held separate and apart from all other funds and accounts of the Village, as provided for in the bond ordinances for the Prior Alternate Bonds, subject to the provisions of the Section. The Special Tax Allocation Fund consists of the Municipal Account and the Intergovernmental Account which are hereby continued. Within the Municipal Account there is hereby continued the Gammonley Sub-Account of the Municipal Account, as created by the bond ordinance and corresponding bond order for the 2006 Bonds (collectively, the "*2006 Ordinance*"). The Junior Lien Principal and Interest Account is hereby continued. Within the Junior Lien Principal and Interest Account, there is hereby continued (as created by the 2006 Ordinance), the Junior Lien Heritage Sub-Account and the Junior Lien Gammonley Sub-Account.

All of the Incremental Property Taxes shall be set aside as collected and be remitted for deposit in the Special Tax Allocation Fund, which is a trust fund heretofore established and hereby continued for the purpose of carrying out the covenants, terms and conditions imposed upon the Village by this Ordinance. Any balances that the Village Treasurer currently has on deposit for the Intergovernmental Account, the Program Expenses Account and the General Account shall be transferred to the Trustee not later than thirty (30) days after the date of close on the Bonds for the purpose of conducting the Accounting to be made on December 1, 2012.

As provided in the TIF Act the Incremental Property Taxes are to be paid to the Village Treasurer by the officers who collect or receive the Incremental Property Taxes. The Village Treasurer shall authorize such Incremental Property Taxes to be paid directly by the County Treasurer to the Trustee through electronic credit. Upon receipt of the Incremental Property

Taxes, the Trustee shall credit to and deposit the same, without any further official action or direction, into the Special Tax Allocation Fund.

Not later than December 1 of each year, the Trustee shall conduct an accounting (an "*Accounting*") of the moneys on deposit in the Special Tax Allocation Fund and determine: (i) the aggregate amount of Incremental Property Taxes deposited into the Special Tax Allocation Fund; (ii) the aggregate amount of Incremental Property Taxes, the percentage of such aggregate Incremental Property Taxes deposited into the Special Tax Allocation Fund attributable to the Heritage Developer Property (the "*Heritage Percentage*"); and (iii) of the aggregate amount of Incremental Property Taxes, the percentage of such aggregate Incremental Property Taxes deposited into the Special Tax Allocation Fund attributable to the Gammonley Developer Property (the "*Gammonley Percentage*"). Each of the Heritage Percentage and the Gammonley Percentage shall be rounded to the nearest one hundredth of a percent so that the sum of the Heritage Percentage and the Gammonley Percentage equals 100%. The Village shall make every effort to have the County identify the Heritage Percentage and the Gammonley Percentage by virtue of separation of County tax codes for those parcels which constitute Heritage Developer Property and Gammonley Developer Property, respectively. After completing the Accounting, the Trustee shall deposit moneys held in the Special Tax Allocation Fund as follows:

A. THE MUNICIPAL ACCOUNT. Seventy-five percent (75.00%) of the Incremental Property Taxes shall be paid into the Municipal Account (said 75.00% being the "*Limited Incremental Property Taxes*"). Monies on deposit in the Municipal Account shall be used in the following order of priority:

(i) *The Principal and Interest Account.* First, all moneys paid into or transferred into the Municipal Account shall be credited to the Principal and Interest Account. Moneys in the Principal and Interest Account shall be used solely and only for the purpose of paying principal and/or interest and applicable premium on the Outstanding Bonds as the same become due at Stated Maturity or upon mandatory redemption. Not later than each December 1, commencing December 1, 2012, the

Trustee shall conduct an Accounting to determine the balance of Incremental Property Taxes on deposit in and to the credit of the Principal and Interest Account including any Excess Amount (defined below) transferred from the Intergovernmental Account, if any, on such December 1. If, upon such Accounting, there are funds on deposit in and to the credit of the Principal and Interest Account in excess of the Principal Requirement and the Interest Requirement, such funds shall be divided and transferred by the Trustee as follows: (a) an amount equal to the Heritage Percentage of such excess funds shall be deposited into the Heritage Sub-Account of the Municipal Account; and (b) an amount equal to the Gammonley Percentage of such excess funds shall be deposited into the Gammonley Sub-Account of the Municipal Account.

(ii) *Heritage Sub-Account of the Municipal Account.* Moneys paid into or transferred into the Heritage Sub-Account of the Municipal Account shall be used in the following order of priority:

(a) The Trustee shall deposit the amount of \$75,000 into the Program Expenses Account as a payment of a portion of the Program Expenses payable to the Village.

(b) To the extent not previously paid, the Trustee shall then pay the amount of \$276,423.02 to the Village for reimbursement of previously incurred Redevelopment Project Costs as that term is defined in the TIF Act.

(c) The Trustee shall then transfer any balances to the Heritage Sub-Account of the Junior Lien Principal and Interest Account.

(iii) *Gammonley Sub-Account of the Municipal Account.* Moneys paid into or transferred into the Gammonley Sub-Account of the Municipal Account shall be used in the following order of priority:

(a) The Trustee shall deposit the amount of \$25,000 into the Program Expense Account as payment of a portion of the Program Expenses. Any amount of Program Expenses not paid by reason of insufficiency of funds shall be paid in subsequent years as funds become available.

(b) The Trustee Shall then transfer any balance to the Gammonley Sub-Account of the Junior Lien Principal and Interest Account.

(iv) *The Program Expenses Account.* The Trustee shall next transfer to the Village Treasurer and the Village Treasurer shall credit to and immediately deposit into the Program Expenses Account Limited Incremental Property Taxes until the amount on deposit in and to the credit of the Program Expenses Account equals the sum of \$100,000 (said annual amount being the "*Program Expense Requirement*"), which amount is inclusive of and not in addition to the Program Expense Requirement set forth in the proceedings authorizing the issuance of the Prior Alternate Bonds. Amounts on deposit in and to the credit of the Program Expenses Account shall be used by the Village solely

and only to pay the Program Expenses as permitted by the TIF Act. Whenever the annual amount so transferred for deposit in and credit to the Program Expenses Account shall equal the Program Expense Requirement, the Trustee shall next transfer to and deposit the balance of the Limited Incremental Property Taxes in the Junior Lien Principal and Interest Account as hereinbelow provided.

(v) *The Junior Lien Principal and Interest Account.* The Trustee shall next credit to and transfer into the Junior Lien Principal and Interest Account the balance of the Limited Incremental Property Taxes, and, except as hereinafter provided, moneys to the credit of the Junior Lien Principal and Interest Account shall be used solely and only for the purpose of paying principal of and interest and applicable premium on the Junior Lien Bonds as the same become due at Stated Maturity or upon mandatory redemption.

If, upon any Accounting, there are funds on deposit in and to the credit of the Junior Lien Principal and Interest Account in excess of the Junior Lien Principal Requirement and the Junior Lien Interest Requirement, such funds shall be transferred by the Trustee to the Second Subordinate Lien Principal and Interest Account as hereinbelow provided.

The Junior Lien Principal and Interest Account shall consist of the Junior Lien Heritage Sub-Account and the Junior Lien Gammonley Sub-Account.

(a) *Junior Lien Heritage Sub-Account.* Moneys transferred into the Junior Lien Heritage Sub-Account shall be used on December 15 of each year by the Trustee to pay Interest on and for mandatory redemption of principal of the Junior Lien Bonds (Village Center Redevelopment Project Area), Series 2006 (the "*Junior Lien Bonds*") as provided in Ordinance No. 26-O-2006 in the following order of priority:

(1) For any period of time after December 15, 2011, payments shall be made as follows:

(A) Deferred Accrued Interest on the Series 2006A Junior Lien Bonds of the Village.

(B) Current Interest on the Series 2006A Junior Lien Bonds.

(C) Mandatory Redemption of Principal on the Series 2006A Junior Lien Bonds.

(D) Deferred Accrued Interest on the Series 2006B Junior Lien Bonds.

(E) Current Interest on the Series 2006B Junior Lien Bonds.

(F) Mandatory Redemption of Principal on the Series 2006B Junior Lien Bonds.

(2) For any period of time after payment in full of the Series 2006A Junior Lien Bonds and the Series 2006B Junior Lien Bonds, payments shall be made as follows:

(A) Deferred Accrued Interest on the Series 2006C Junior Lien Bonds.

(B) Current Interest on the Series 2006C Junior Lien Bonds.

(C) Mandatory Redemption of Principal on the Series 2006C Bonds.

(D) Deferred Accrued Interest on the Series 2006D Junior Lien Bonds.

(E) Current Interest on the Series 2006D Junior Lien Bonds.

(F) Mandatory Redemption of Principal on the Series 2006D Junior Lien Bonds.

(3) Any balance remaining in the Junior Lien Heritage Sub-Account of the Junior Lien Principal and Interest Account shall be transferred to the General Account.

(b) *Junior Lien Gammonley Sub-Account.* Moneys transferred into the Junior Lien Gammonley Sub-Account shall be in the following order of priority:

(1) On December 15 of each year, the Village, by a certificate signed by a Designated Officer, shall direct the Trustee to pay Interest on and provide for a mandatory redemption of principal to the fullest extent possible on the Gammonley Developer Note.

(2) Any balance remaining in the Junior Lien Gammonley Sub-Account of the Junior Lien Principal and Interest Account shall be transferred to the General Account.

(vi) *The Second Subordinate Lien Principal and Interest Account.* The Trustee shall next credit to and immediately transfer into the Second Subordinate Lien Principal and Interest Account the balance of the Limited Incremental Property Taxes, and, except as hereinafter provided, moneys to the credit of the Second Subordinate Lien Principal and Interest Account shall be used solely and only for the purpose of paying principal of and interest and applicable premium on the Second Subordinate Lien Bonds as the same become due at Stated Maturity or upon mandatory redemption.

If, upon any Accounting, there are funds on deposit in and to the credit of the Second Subordinate Lien Principal and Interest Account in excess of the Second Subordinate Lien Principal Requirement and the Second Subordinate Lien Interest Requirement, such funds shall be transferred by the Trustee to the Village Treasurer for deposit into the General Account as hereinbelow provided.

(vii) *The General Account.* All moneys remaining in the Special Tax Allocation Fund, after crediting the required amounts to the Principal and Interest Account, the Program Expenses Account, the Junior Lien Principal and Interest Account and the Second Subordinated Lien Principal and Interest Account as hereinabove provided for, shall be held in the General Account. Moneys in the General Account shall be used only as authorized by written direction of a Designated Officer of the Village, and in accordance with the TIF Act and the Project. Pursuant to such direction, moneys on deposit in the General Account, may be credited by the Trustee to the Municipal Account of the Special Tax Allocation Fund in order to remedy any deficiencies in any prior accounts of the Municipal Account. Except as hereinbefore provided in this subsection (v), moneys on deposit in the General Account shall be used for one or more of the following purposes, without any priority among them:

- (i) for the purpose of paying any Project Costs; or
- (ii) for the purpose of redeeming Outstanding Bonds, Junior Lien Bonds or Second Subordinated Lien Bonds; or
- (iii) for the purpose of purchasing Outstanding Bonds, Junior Lien Bonds or Second Subordinated Lien Bonds at a price not in excess of par and accrued interest and applicable redemption premium to the date of purchase; or
- (iv) for the purpose of refunding, advance refunding or prepaying any Bond, Junior Lien Bond or Second Subordinated Lien Bond; or
- (v) for the purpose of creating such additional reserves as may be deemed necessary by the Corporate Authorities, it being the express intent of the Corporate Authorities to reserve unto the Village the right to establish such reserve or reserves in order to assure that the 2012B Full Faith and Credit Taxes may be abated in each Tax Year while any Bonds remain outstanding; or
- (vi) for the purpose of reimbursing the Village for any transfer of general corporate funds of the Village for purposes relating to the Plan, the Project, or the Refunding including but not limited to funds disbursed for the payment of redevelopment project costs incurred by the Village or advanced to abate the 2012B Full Faith and Credit Taxes and whether or not such reimbursement occurs in the relevant Tax Year for which such advance was made; or

(vii) for the purpose of distributing Incremental Property Taxes to the taxing districts or municipal corporations having the power to tax real property in the Project Area or to the Village pursuant to any redevelopment agreement; or

(viii) for the purpose of paying principal of, or premium, if any, or interest on any obligation of the Village issued to pay redevelopment project costs for the Project Area, whether or not secured by a pledge of the monies to the credit of the Special Tax Allocation Fund; or

(ix) for any other purpose related to the Plan, the Project or the Project Area pursuant to the TIF Act.

B. THE INTERGOVERNMENTAL ACCOUNT. Twenty-five percent (25.00%) of the Incremental Property Taxes shall be paid into the Intergovernmental Account, which shall be held by the Trustee. On November 1 of each year, the Village shall conduct an accounting (a "*Village Accounting*") to determine the aggregate amount of Incremental Property Taxes (i) required to be paid under Section 3 and (ii) as adjusted under the Intergovernmental Agreement, by determining the aggregate amount of Incremental Property Taxes attributable to residential units located within the Project Area in which reside students enrolled in the School Districts. On or prior to November 1 of each year, the Village Treasurer shall transmit to the Trustee, along with written instructions to pay, requests for payments from the School Districts in connection with amounts due to the School Districts. On the earlier of December 1 of each year, or ten days after the receipt of the Village Accounting and request from the Village Treasurer, the Trustee shall make such payments, if any, to the School Districts. Any amount (the "*Excess Amount*") remaining in the Intergovernmental Account after making the payments required to be made to the School Districts (as provided above) shall be transferred by the Trustee to the Municipal Account and such Excess Amount shall be included by the Trustee when conducting the Accounting to be conducted on such December 1.

SECTION 13. COVENANTS PERTAINING TO THE PROJECT AREA. The Village covenants and agrees with the holders of the Bonds that, so long as any Bonds remain Outstanding and unpaid:

(a) The Village will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Village, in which complete and correct entries shall be made of all transactions relating to the Project and to the Incremental Property Taxes. Such books of record and accounts shall at all times during business hours be subject to the inspection of the holders of not less than ten per cent (10%) of the aggregate principal amount of the Bonds then Outstanding, or their representatives authorized in writing.

The Village will timely prepare or cause the preparation of complete financial statements with respect to the preceding Fiscal Year showing the Incremental Property Taxes received, all disbursements from the funds and accounts created by this Ordinance and the financial condition of the Project, including the balances in all funds and accounts relating to the Bonds and the Project as of the end of such Fiscal Year, all when and as required by the TIF Act, which statements shall be accompanied by a certificate or opinion in writing of an Independent certified public accountant. The Village will furnish a copy of such statements to any registered owner of ten percent (10%) or more in aggregate principal amount of Outstanding Bonds, upon written request of such owner.

(b) The Village will continue to implement the Project with all practicable dispatch in accord with its stated objectives and purposes in conformity with the Plan and the TIF Act.

SECTION 14. INVESTMENTS. The moneys on deposit in the Special Tax Allocation Fund and the various accounts therein may be invested from time to time in Qualified Investments. Any such investments may be sold from time to time as moneys may be needed for the purposes for which the Special Tax Allocation Fund and such accounts have been created. In addition, the Trustee shall sell such investments when necessary to remedy any deficiency in the Municipal Account of the Special Tax Allocation Fund and such accounts and shall (with or without direction from the Village) sell such investments when necessary to remedy any deficiency in the Intergovernmental Account of the Special tax Allocation Fund. All investment earnings shall be attributed to the fund or account for which the investment was made.

SECTION 15. LIMITED INCREMENTAL PROPERTY TAXES PLEDGED. The Village hereby pledges the Limited Incremental Property Taxes to the payment of the Bonds as hereinabove provided, and the Corporate Authorities covenants and agrees to provide for, collect and apply Limited Incremental Property Taxes to the payment of the Bonds as hereinabove provided and the provision of not less than an additional .25 times debt service. The determination of the sufficiency of the Limited Incremental Property Taxes pursuant to this Section shall be supported by reference to the most recent audit of the Village, and the reference to and acceptance of such audit by the Corporate Authorities shall be conclusive evidence that the conditions of Section 15 of the Reform Act have been met.

SECTION 16. CONTINUING DISCLOSURE UNDERTAKING. The Designated Officers are hereby authorized, empowered and directed to execute and deliver the Continuing Disclosure Undertaking (the "*Continuing Disclosure Undertaking*") in customary form as heretofore executed by the Village or with such changes therein as the individual executing the Continuing Disclosure Undertaking on behalf of the Village shall approve, his or her execution thereof to constitute conclusive evidence of his or her approval of such changes. When the Continuing Disclosure Undertaking is executed and delivered on behalf of the Village as herein provided, the Continuing Disclosure Undertaking will be binding on the Village and the officers, employees and agents of the Village, and the officers, employees and agents of the Village are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Continuing Disclosure Undertaking as executed. Notwithstanding any other provision of this Ordinance, the sole remedies for failure to comply with the Continuing Disclosure Undertaking shall be the ability of the beneficial owner of any Bond to seek mandamus or specific performance by court

order, to cause the Village to comply with its obligations under the Continuing Disclosure Undertaking.

SECTION 17. 2012B FULL FAITH AND CREDIT TAXES; TAX LEVY. The Bonds are Alternate Bonds. For the purpose of providing funds to pay the principal of and interest on the Bonds, and as provided in Section 15 of the Reform Act, there is hereby levied upon all of the taxable property within the Village, in the years for which any of the Bonds are Outstanding, a direct annual tax for each of the years while the Bonds or any of them are Outstanding, in amounts sufficient for that purpose, and there be and there hereby is levied upon all of the taxable property in the Village the direct annual taxes in the amounts and for the years as follows:

| FOR THE YEAR | A TAX SUFFICIENT TO PRODUCE THE DOLLAR (\$) SUM OF: | |
|--------------|---|--|
| 2011 | \$142,500.80 | for interest and principal up to and including December 15, 2012 |
| 2012 | \$176,375.00 | for interest and principal |
| 2013 | \$113,450.00 | for interest and principal |
| 2014 | \$181,875.00 | for interest and principal |
| 2015 | \$193,725.00 | for interest and principal |
| 2016 | \$90,237.50 | for interest and principal |
| 2017 | \$193,862.50 | for interest and principal |
| 2018 | \$149,662.50 | for interest and principal |
| 2019 | \$71,362.50 | for interest and principal |
| 2020 | \$425,012.50 | for interest and principal |
| 2021 | \$391,256.25 | for interest and principal |

and said 2012B Full Faith and Credit Taxes do not exceed in any year the ad valorem taxes levied for that year for the 2002A Bonds to be refunded incidental to the Refunding.

Following any extension of 2012B Full Faith and Credit Taxes, interest or principal coming due at any time when there are insufficient funds on hand from the 2012B Full Faith and Credit Taxes to pay the same shall be paid promptly when due from current funds on hand in advance of the collection of the 2012B Full Faith and Credit Taxes herein levied; and when

the 2012B Full Faith and Credit Taxes shall have been collected, reimbursement shall be made to said funds in the amount so advanced.

SECTION 18. FILING WITH COUNTY CLERK; BOND FUND. After this Ordinance becomes effective, a copy hereof, certified by the Village Clerk, shall be filed with the County Clerk. The County Clerk shall in and for each of the years required ascertain the rate percent required to produce the aggregate 2012B Full Faith and Credit Taxes hereinbefore provided to be levied in each of said years; and the County Clerk shall extend the same for collection on the tax books in connection with other taxes levied in said years in and by the Village for general corporate purposes of the Village; and the County Clerk, or other appropriate officer or designee, shall remit the 2012B Full Faith and Credit Taxes for deposit to the credit of a special fund, hereby created, to be designated the "*2012B Alternate Bond Fund*" (the "*Bond Fund*"), and in said years the 2012B Full Faith and Credit Taxes shall be levied and collected by and for and on behalf of the Village in like manner as taxes for general corporate purposes of the Village for said years are levied and collected, and in addition to and in excess of all other taxes. The 2012B Full Faith and Credit Taxes are hereby irrevocably pledged to and shall be used only for the purpose of paying principal of and interest on the Bonds. It is hereby expressly provided that in the event there shall be moneys to the credit of the Special Tax Allocation Fund and the Bond Fund, the Bond Fund shall be fully depleted before moneys to the credit of the Special Tax Allocation Fund shall be used to pay principal of and interest on the Bonds.

SECTION 19. ABATEMENT OF 2012B FULL FAITH AND CREDIT TAXES. Not earlier than December 16 and not later than the last date in any Tax Year that the County Clerk will accept the filing of an ordinance levying a tax to be extended during such Tax Year for the payment of principal of and interest on general obligation bonds, the Village Treasurer shall determine (i) the amount on deposit in and to the credit of the Municipal Account of the Special Tax Allocation

Fund and (ii) the amount of any additional monies which have been transferred to the Municipal Account of the Special Tax Allocation Fund by proper proceedings of the Corporate Authorities. The Trustee shall set forth the aggregate amount of funds which are on deposit in the Municipal Account of the Special Tax Allocation Fund and are available for the purpose of abating the 2012B Full Faith and Credit Taxes to be extended during that Tax Year. By proper proceedings the Corporate Authorities shall direct the abatement of the 2012B Full Faith and Credit Taxes for that Tax Year by the amount on deposit in the Principal and Interest Account, as evidenced by such determination.

SECTION 20. GENERAL COVENANTS. The Village covenants and agrees with the registered owners of the Bonds, so long as any Bonds remain Outstanding, as follows:

A. The Village will punctually pay or cause to be paid from the Municipal Account and from the Bond Fund the principal of and interest on the Bonds in strict conformity with the terms of the Bonds and this Ordinance, and it will faithfully observe and perform all of the conditions, covenants and requirements thereof and hereof.

B. The Village, or the Trustee, on behalf of the Village, will pay and discharge, or cause to be paid and discharged, from the Municipal Account of the Special Tax Allocation Fund and the Bond Fund any and all lawful claims which, if unpaid, might become a lien or charge upon the Pledged Moneys, or any part thereof, or upon any funds in the hands of the Trustee, or which might impair the security of the Bonds. Nothing herein contained shall require the Village to make any such payment so long as the Village in good faith shall contest the validity of said claims.

C. The Village, or the Trustee, on behalf of the Village, will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Village, in which complete and correct entries shall be made of all transactions relating to the Pledged Moneys, the Special Tax Allocation Fund and the Bond Fund.

D. The Village will preserve and protect the security of the Bonds and the rights of the registered owners of the Bonds, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any of the Bonds by the Village, the Bonds shall be incontestable by the Village.

E. The Village will adopt, make, execute and deliver any and all such further ordinances, resolutions, instruments and assurances as may be reasonably necessary or

proper to carry out the intention of, or to facilitate the performance of, this Ordinance, and for the better assuring and confirming unto the registered owners of the Bonds of the rights and benefits provided in this Ordinance.

F. As long as any Bonds are Outstanding, the Village will continue to deposit and apply the Limited Incremental Property Taxes as provided herein and, if applicable, will deposit the 2012B Full Faith and Credit Taxes to the Bond Fund, or, alternatively, the Village will cause said Limited Incremental Property Taxes and/or 2012B Full Faith and Credit Taxes to be deposited with the Trustee directly from the County Treasurer. The Village covenants and agrees with the purchasers of the Bonds and with the registered owners thereof that so long as any Bonds remain Outstanding, the Village will take no action or fail to take any action which in any way would adversely affect the ability of the Village (i) to allocate or collect the Limited Incremental Property Taxes, (ii) to levy the 2012B Full Faith and Credit Taxes or (iii) to collect and to segregate the Pledged Moneys. The Village and its officers will comply with all present and future applicable laws in order to assure that the Limited Incremental Property Taxes can be allocated and collected, that the 2012B Full Faith and Credit Taxes can be levied and extended and that the Incremental Property Taxes and the 2012B Full Faith and Credit Taxes may be collected and deposited into the Special Tax Allocation Fund and to the credit of the respective Accounts thereof and the Bond Fund, respectively, as provided herein.

G. The Outstanding Bonds shall be and forever remain until paid or defeased the general obligation of the Village, for the payment of which its full faith and credit are pledged, and shall be payable, both from the Limited Incremental Property Taxes, as herein provided, and from the levy of the 2012B Full Faith and Credit Taxes, all as provided in the Reform Act.

SECTION 21. ADDITIONAL BONDS. The Village reserves the right to issue Additional Bonds from time to time payable from the Limited Incremental Property Taxes, and any such Additional Bonds shall share ratably and equally in the Limited Incremental Property Taxes with the Bonds; *provided, however*, that no Additional Bonds shall be issued except upon compliance with the provisions of the Reform Act as the Reform Act is written at this time.

SECTION 22. PAYMENT AND DISCHARGE; REFUNDING. The Bonds may be discharged, payment provided for, and the Village's liability terminated as follows:

(a) *Discharge of Indebtedness.* If (i) the Village shall pay or cause to be paid to the registered owners of the Bonds the principal, premium, if any, and interest to become due thereon at the times and in the manner stipulated therein and herein, (ii) all fees and expenses of the Trustee and the Trustee shall have been paid, and (iii) the Village shall keep, perform and observe all and singular the covenants and promises in the Bonds and

in this Ordinance expressed as to be kept, performed and observed by it or on its part, then these presents and the rights hereby granted shall cease, determine and be void. If the Village shall pay or cause to be paid to the registered owners of all Outstanding Bonds of a particular series, or of a particular maturity within a series, the principal, premium, if any, and interest to become due thereon at the times and in the manner stipulated therein and herein, such Bonds shall cease to be entitled to any lien, benefit or security under this Ordinance, and all covenants, agreements and obligations of the Village to the holders of such Bonds shall thereupon cease, terminate and become void and discharged and satisfied.

(b) *Provision for Payment.* Bonds for the payment or redemption of which sufficient monies or sufficient Government Securities shall have been deposited with the Trustee (whether upon or prior to the maturity or the redemption date of such Bonds) or similar institution shall be deemed to be paid within the meaning of this Ordinance and no longer outstanding under this Ordinance; *provided, however*, that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given as provided in this Ordinance or arrangements satisfactory to the Trustee shall have been made for the giving thereof. Government Securities shall be considered sufficient only if said investments are not redeemable prior to maturity at the option of the issuer and mature and bear interest in such amounts and at such times as will assure sufficient cash to pay currently maturing interest and to pay principal and redemption premiums if any when due on the Bonds.

The Village may at any time surrender to the Trustee for cancellation by it any Bonds previously authenticated and delivered hereunder, which the Village may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

(c) *Termination of Village's Liability.* Upon the discharge of indebtedness under paragraph (a) hereof, or upon the deposit with the Trustee or similar institution of sufficient money and Government Securities (such sufficiency being determined as provided in paragraph (b) hereof) for the retirement of any particular Bond or Bonds, all liability of the Village in respect of such Bond or Bonds shall cease, determine and be completely discharged and the holders thereof shall thereafter be entitled only to payment out of the money and the proceeds of the Government Securities deposited with the Trustee or similar institution as aforesaid for their payment.

SECTION 23. SALE OF THE BONDS. The Bonds shall be executed as in this Ordinance provided as soon after the passage hereof as may be, shall be deposited with the Village Treasurer, and shall be delivered to the Purchaser upon the payment of the Purchase Price. The contract for the sale of the Bonds to the Purchaser (as evidenced by the Official Notice of Sale and the executed Official Bid Form) as presented to the Corporate Authorities at this meeting

(the "*Purchase Contract*") is hereby in all respects ratified, approved and confirmed, it being hereby declared that no person holding any office of the Village, either by election or appointment, is in any manner financially interested, either directly in his own name or indirectly in the name of any other person, association, trust or corporation, in such contract.

The Preliminary Final Official Statement of the Village, relating to the Bonds and heretofore presented to the Corporate Authorities, is hereby ratified and approved. The Final Official Statement of the Village, dated within seven days of the date of sale of the Bonds, relating to the Bonds (the "*Final Official Statement*"), presented to the Corporate Authorities at this meeting is hereby approved, and the Purchaser is hereby authorized on behalf of the Village to distribute copies of the Final Official Statement to the ultimate purchasers of the Bonds. The Designated Officers are hereby further expressly authorized to take any action as may be required on the part of the Village to consummate the transactions contemplated by the Purchase Contract, this Ordinance, said Preliminary Official Statement, said final Official Statement, and the Bonds, including, specifically, the execution of a tax certificate as prepared by Bond Counsel, and customary closing documents, their execution thereof to constitute ratification of the terms and provisions thereof by the Corporate Authorities without any further official action or direction thereby.

SECTION 24. USE OF PROCEEDS. The proceeds derived from the sale of the Bonds shall be used as follows:

A. Accrued interest, if any, shall be credited to the Principal and Interest Account and applied to pay first interest due on the Bonds.

B. The amount necessary of the proceeds of the Bonds shall be deposited into a separate fund, hereby created, designated the "Series 2012B Expense Fund" (the "*Expense Fund*") to be used to pay expenses of issuance of Bonds. Disbursements from such fund shall be made from time to time by the Village Treasurer as need to pay costs

of issuance of the Bonds. Any excess in said fund shall be deposited into the Principal and Interest Account after six months from the date of issuance of the Bonds.

C. The remaining funds shall be used to effectuate the Refunding and shall be deposited with the Trustee for the 2002A Bonds, Amalgamated Bank of Chicago. The Designated Officers are hereby expressly authorized to take all actions necessary to effectuate the Refunding and to authorize the Trustee for the 2002A Bonds or another third party to take such actions as shall be necessary to effectuate the Refunding. The Trustee for the 2002A Bonds shall call the 2002A Bonds for redemption on April 9, 2012.

SECTION 25. NOT PRIVATE ACTIVITY BONDS. None of the bonds is a "*private activity bond*" as defined in Section 141(a) of the Code. In support of such conclusion, the Village certifies, represents and covenants as follows:

A. No direct or indirect payments are to be made on any Bond or ere or are to be made on any Prior Alternate Bond with respect to any private business use by any person other than a state or local governmental unit.

B. None of the proceeds of the Bonds is to be used and none of the proceeds of the Prior Alternate Bonds is to be or has been used, directly or indirectly, to make or finance loans to persons other than a state or local governmental unit.

SECTION 26. GENERAL ARBITRAGE COVENANTS; NO REIMBURSEMENT. The Village represents and certifies as follows with respect to the Bonds:

A. Except for the Principal and Interest Account and the Bond Fund, the Village has not created or established and will not create or establish any sinking fund, reserve fund or any other similar fund to provide for the payment of the Bonds. The Principal and Interest Account and the Bond Fund have been established and will be

funded in a manner primarily to achieve a proper matching of tax revenues and debt service, and will be collectively depleted at least annually to an amount not in excess of 1/12 the particular annual debt service on the Bonds. Money deposited therein will be spent within a 13-month period beginning on the date of deposit, and investment earnings therein will be spent or withdrawn within a one-year period beginning on the date of receipt.

B. The investment of proceeds or funds related to the Bonds by the Village officers at a yield which is restricted to a lower yield than otherwise obtainable in order to meet any covenants relating to the Tax-exempt status of the Bonds, as advised by Bond Counsel, or as otherwise determined to be necessary for such purpose, is expressly authorized and directed.

The Village also certifies and further covenants with the Purchaser and the registered owners of the Bonds from time to time outstanding that moneys on deposit in any fund or account in connection with the Bonds, whether or not such moneys were derived from the proceeds of the sale of the Bonds or from any other source, will not be used in a manner which will cause the Bonds to be "*arbitrage bonds*" within the meaning of Code Section 148 and any lawful regulations promulgated thereunder, as the same presently exist or may from time to time hereafter be amended, supplemented or revised.

SECTION 27. ARBITRAGE REBATE. The Village represents and certifies as follows with respect to the requirements of Section 148(f) of the Code, relating to the rebate of "excess arbitrage profits" (the "*Rebate Requirement*") to the United States:

A. Unless an applicable exception to the Rebate Requirement is available to the Village, the Village will meet the Rebate Requirement.

B. Relating to applicable exceptions, the Village Treasurer or the President is hereby authorized to make such elections under the Code as either such officer shall deem reasonable and in the best interests of the Village. If such election may result in a "penalty in lieu of rebate" as provided in the Code, and such penalty is incurred (the "*Penalty*"), then the Village shall pay such Penalty.

C. The officers of the Village shall cause to be established, at such time and in such manner as they may deem necessary or appropriate hereunder, a "2012B General Obligation Bonds Rebate [or Penalty, if applicable] Fund" (the "*148 Compliance Fund*") for the Bonds, and such officers shall further, not less frequently than annually, cause to be transferred to the 148 Compliance Fund the amount determined to be the accrued liability under the Rebate Requirement or Penalty. This 148 Compliance Fund is to be held by the Village and not the Trustee. Said officers shall cause to be paid to the U.S., without further order or direction from the Corporate Authorities, from time to time as required, amounts sufficient to meet the Rebate Requirement or to pay the Penalty.

D. Interest earnings in the Bond Fund and the Principal and Interest Account are hereby authorized to be transferred, without further order or direction from the Corporate Authorities, from time to time as required, to the 148 Compliance Fund for the purposes herein provided; and proceeds of the Bonds and other funds of the Village are also hereby authorized to be used to meet the Rebate Requirement or to pay the Penalty, but only if necessary after application of investment earnings as aforesaid and only as appropriated by the Corporate Authorities.

SECTION 28. FURTHER TAX COVENANTS. The Village agrees to comply with all provisions of the Code which, if not complied with by the Village, would cause the Bonds not to be Tax-exempt. In furtherance of the foregoing provisions, but without limiting their generality, the

Village agrees: (a) through its officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to comply with all representations, covenants and assurances contained in certificates or agreements as may be prepared by Bond Counsel; (c) to consult with Bond Counsel and to comply with such advice as may be given; (d) to pay to the United States, if necessary, such sums of money representing required rebates of excess arbitrage profits relating to the Bonds; (e) to file such forms, statements and supporting documents as may be required and in a timely manner; and (f) if deemed necessary or advisable by its officers, to employ and pay fiscal agents, financial advisors, attorneys and other persons to assist the Village in such compliance.

SECTION 29. REGISTERED FORM. The Village recognizes that Section 149 of the Code requires the Bonds to be issued and to remain in fully registered form in order to be and remain Tax-exempt. In this connection, the Village agrees that it will not take any action to permit the Bonds to be issued in, or converted into, bearer or coupon form.

SECTION 30. QUALIFIED TAX-EXEMPT OBLIGATIONS. The Village recognizes the provisions of Section 265(b)(3) of the Code which provide that a “qualified tax-exempt obligation” as therein defined may be treated by certain financial institutions as if it were acquired on August 7, 1986, for certain purposes. The Village hereby designates each of the Bonds as may be from time to time outstanding for purposes of Section 265(b)(3) of the Code as a “qualified tax-exempt obligation” as provided therein.

In support of such designation, the Village certifies, represents and covenants as follows:

A. None of the Bonds is a “private activity bond” as defined in Section 141(a) of the Code.

B. Including the Bonds and the Village’s General Obligation Limited Tax Bonds, Series 2012C (the “2012C Bonds”), the Village (including any entities

subordinate thereto) has not and does not reasonably expect to issue in excess of \$10,000,000 in “qualified tax-exempt obligations” during calendar year 2012.

C. Including the Bonds and the 2012C Bonds, not more than \$10,000,000 of obligations issued by the Village (including any entities subordinate thereto) during the calendar year 2012 have been to date or will be designated by the Village for purposes of said Section 265(b)(3).

D. The Bonds have not been sold in conjunction with any other tax-exempt obligation other than the 2012C Bonds.

SECTION 31. OPINION OF COUNSEL EXCEPTION. The Village reserves the right to use or invest moneys in connection with the Bonds in any manner, or to contract with respect to the Refunding, notwithstanding the covenants in Sections 25 to 30 herein, provided it shall first have received an opinion from Bond Counsel to the effect that use or investment of such moneys, as contemplated will not result in any adverse effect on the Tax-exempt status of interest on the Bonds or the Prior Alternate Bonds.

SECTION 32. DUTIES OF TRUSTEE.

(a) The Trustee shall exercise its rights and powers and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person’s own affairs.

(b) The Trustee need perform only those duties that are specifically set forth in this Ordinance and no others. In the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Ordinance. However, the Trustee shall examine the certificates and opinions to determine whether they conform to the requirements of this Ordinance.

(c) The Trustee may not be relieved from liability for its own gross negligent action, its own gross negligent failure to act or its own willful misconduct, except that

(1) this paragraph does not limit the effect of paragraph (b) of this Section,

(2) the Trustee shall not be liable for any error of judgment made in good faith by a responsible officer of the Trustee, unless it is proved that the Trustee was negligent in ascertaining the pertinent facts,

(3) no provision of this Ordinance shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(d) Every provision of this Ordinance that in any way relates to the Trustee is subject to all the paragraphs of this Section.

(e) The Trustee may refuse to perform any duty or exercise any right or power, or to make any payment on any Bond to any holder of such Bond, unless it receives indemnity satisfactory to it against any loss, liability or expense.

(f) The Trustee will cooperate with the Village and its auditors in complying with provisions of the Act relating to reporting requirements with respect to Incremental Property Taxes and the Special Tax Allocation Funds.

SECTION 33. RIGHTS OF TRUSTEE.

Subject to the foregoing Section:

(a) The Trustee may rely on any document reasonably believed by it to be genuine and to have been signed or presented by the proper person. The Trustee need not investigate any fact or matter stated in the document.

(b) Before the Trustee acts or refrains from acting, it may require a certificate of an appropriate officer or officers of the Village or an opinion of counsel. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on the certificate or opinion of counsel.

(c) The Trustee may act through agents or co-trustees and shall not be responsible for the misconduct or negligence of any agent or co-trustee appointed with due care.

SECTION 34. INDIVIDUAL RIGHTS OF TRUSTEE.

The Trustee in its individual or any other capacity may become the owner or pledgee of Bonds and may otherwise deal with the Village with the same rights it would have if it were not Trustee. Any paying agent may do the same with like rights.

SECTION 35. TRUSTEE'S DISCLAIMER.

The Trustee makes no representation as to the validity or adequacy of this Ordinance or the Bonds; it shall not be accountable for the Village's use of the proceeds from the Bonds paid to the Village, and it shall not be responsible for any statement in the Bonds other than its certificate of authentication.

SECTION 36. ELIGIBILITY OF TRUSTEE.

This Ordinance shall always have a Trustee that is a commercial bank with trust powers or a trust company organized and doing business under the laws of the United States or any state or the District of Columbia, is authorized under such laws and the laws of the State to exercise corporate trust powers, has its principal office in the State, is subject to supervision or examination by United States or State authority, and has a combined capital, surplus and undivided profits of at least \$20,000 as set forth in its most recent published annual report of condition. If at any time the Trustee ceases to be eligible in accordance with this Section, the Trustee shall resign immediately as set forth in Section 27.

SECTION 37. REPLACEMENT OF TRUSTEE.

The Trustee may resign with thirty (30) days written notice to the Village, effective upon the execution, acknowledgment and delivery by a successor Trustee to the Village of appropriate instruments of succession. Provided that no Event of Default shall have occurred and be continuing, the Village may remove the Trustee and appoint a successor Trustee at any time by

an instrument or concurrent instruments in writing delivered to the Trustee; *provided, however*, that the holders of fifty-one percent (51%) in aggregate principal amount of Bonds outstanding at the time may at any time remove the Trustee and appoint a successor Trustee by an instrument or concurrent instrument in writing signed by such Bondholders, and further provided that any conflict between the Village and such holders regarding such removal and appointment shall be resolved in favor of such holders. Such successor Trustee shall be a corporation authorized under applicable laws to exercise corporate trust powers and may be incorporated under the laws of the United States or of the State. Such successor Trustee shall in all respects meet the requirements set forth in Section 26 hereof.

If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Village shall promptly appoint a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Village. Immediately thereafter, the retiring Trustee shall transfer all property held by it as Trustee to the successor Trustee; the resignation or removal of the retiring Trustee shall then (but only then) become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Ordinance.

If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Village or the registered owners of two thirds (2/3rds) in principal amount of the Bonds then outstanding may petition any court of competent jurisdiction for the appointment of a successor Trustee.

SECTION 38. SUCCESSOR TRUSTEE BY MERGER.

If the Trustee consolidates with, merges or converts into, or transfers all or substantially all its assets (or, in the case of a bank or trust company, its corporate trust assets) to, another

corporation, the resulting, surviving or transferee corporation without any further act shall be the successor Trustee.

SECTION 39. COMPENSATION.

All fees and expenses of the Trustee shall be paid from the Program Expenses Account.

SECTION 40. DEFINITION OF EVENTS OF DEFAULT; REMEDIES.

If one or more of the following events, herein called "Events of Default", shall happen, that is to say, in case:

(i) default shall be made in the payment of the principal of or redemption premium, if any, on any Outstanding Bond when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise; or

(ii) default shall be made in the payment of any installment of interest on any Outstanding Bond when and as such installment of interest shall become due and payable; or

(iii) default shall be made by the Village in the performance of any obligation in respect of the Municipal Account of the Special Tax Allocation Fund and such default shall continue for 30 days thereafter; or

(iv) the Village shall (1) commence a voluntary case under the Federal bankruptcy laws, as now or hereafter constituted, or any other applicable Federal or state bankruptcy, insolvency or other similar law (2) make an assignment for the benefit of its creditors, (3) consent to the appointment of a receiver of itself or of the whole or any substantial part of its property, or (4) be adjudicated a bankrupt or any petition for relief shall be filed in respect of an involuntary case under the Federal bankruptcy laws, as now or hereafter constituted, or any other applicable Federal or state bankruptcy, insolvency or other similar law and such order continue in effect for a period of 60 days without stay or vacation; or

(v) a court of competent jurisdiction shall enter an order, judgment or decree appointing a receiver of the Village, or of the whole or any substantial part of its property, or approving a petition seeking reorganization of the Village under the Federal bankruptcy laws or any other applicable Federal or state law or statute and such order, judgment or decree shall not be vacated or set aside or stayed within 60 days from the date of the entry thereof; or

(vi) under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Village or of the whole or any substantial part of its property, and such custody or control shall not be

terminated or stayed within 60 days from the date of assumption of such custody or control; or

(vii) the Village shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds, or this Ordinance on the part of the Village to be performed, and such default shall continue for 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Village by the Trustee (which may give such notice whenever it determines that such a default is subsisting and shall give such notice at the written request of the holders of not less than a majority in principal amount of the Bonds then outstanding);

then in each and every such case the Trustee may, and upon the written request of the registered owners of two-thirds (2/3rds) in principal amount of the Bonds affected by the Event of Default and then outstanding hereunder shall, proceed to protect and enforce its rights and the rights of the holders of the Bonds by a suit, action or special proceeding in equity or at law, by mandamus or otherwise, either for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted or for any enforcement of any proper legal or equitable remedy as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce the rights aforesaid.

During the continuance of an Event of Default, all Pledged Moneys received by the Trustee under this Ordinance from the Village shall be applied by the Trustee in accordance with the terms of Section 48 of this Ordinance.

SECTION 41. NOTICES OF DEFAULT.

Promptly after the occurrence of an Event of Default or the occurrence of an event which, with the passage of time or the giving of notice or both, would constitute an Event of Default, the Trustee shall mail to the Bondholders at the address shown on the Bond Register and also directly to any beneficial owner of \$500,000 or more in aggregate principal amount of Bonds then Outstanding at such address as the Trustee shall obtain from the Depository, notice of all

Events of Default or such events known to the Trustee unless such defaults or prospective defaults shall have been cured before the giving of such notice.

SECTION 42. TERMINATION OF PROCEEDINGS BY TRUSTEE.

In case any proceedings taken by the Trustee on account of any default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the Village, the Trustee, and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee shall continue as though no such proceeding had been taken.

SECTION 43. RIGHT OF HOLDERS TO CONTROL PROCEEDINGS.

Anything in this Ordinance to the contrary notwithstanding, the registered owners of two-thirds (2/3rds) in principal amount of the Bonds, respectively, then outstanding shall have the right, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee hereunder in respect of the Bonds, respectively; *provided* that such direction shall not be otherwise than in accordance with law and the Trustee shall be indemnified to its satisfaction against the costs, expenses and liabilities to be incurred therein or thereby.

SECTION 44. RIGHT OF HOLDERS TO INSTITUTE SUIT.

No holder of any of the Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust hereunder, or for any other remedy hereunder or on the Bonds unless such holder previously shall have given to the Trustee written notice of an Event of Default as hereinabove provided, and unless also the registered owners of two-thirds (2/3rds) in principal amount of the Bonds, respectively, then outstanding shall have made written request of the Trustee after the right to exercise such powers, or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity

either to proceed to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its name; and unless, also, there shall have been offered to the Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Ordinance or for any other remedy hereunder; it being understood and intended that no one or more holders of the Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Ordinance, or to enforce any right hereunder, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all holders of the outstanding Bonds, respectively.

Nothing in this Section contained shall, however, affect or impair the right of any Bondholder, which is absolute and unconditional, to enforce the payment of the principal of and redemption premium, if any, and interest on his Bonds, respectively, out of the Special Tax Allocation Funds, the Bond Fund, the special funds and accounts provided for such payment, or the obligation of the Village to pay the same, out of said Special Tax Allocation Funds, the Bond Fund, special funds and accounts, at the time and place in the Bonds expressed.

SECTION 45. SUITS BY TRUSTEE.

All rights of action under this Ordinance, or under any of the Bonds, enforceable by the Trustee, may be enforced by it without the possession of any of the Bonds or the production thereof at the trial or other proceeding relative thereto, and any such suit, or proceeding, instituted by the Trustee shall be brought in its name for the ratable benefit of the holders of the Bonds affected by such suit or proceeding, subject to the provisions of this Ordinance.

SECTION 46. REMEDIES CUMULATIVE.

No remedy herein conferred upon or reserved to the Trustee, the Bondholders, or to the Insurer is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

SECTION 47. WAIVER OF DEFAULT.

No delay or omission of the Trustee or of any Bondholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given by this Section to the Trustee and the Bondholders, respectively, may be exercised from time to time, and as often as may be deemed expedient. In the event any Event of Default shall be waived by the Bondholders, such waiver shall be limited to the particular Event of Default so waived and shall not be deemed to waive any other Event of Default hereunder.

SECTION 48. APPLICATION OF MONIES AFTER DEFAULT.

The Village covenants that if an Event of Default shall happen and shall not have been remedied, the Trustee shall apply all monies, securities and funds received by the Trustee pursuant to any right given or action taken under the provisions of this Ordinance as follows:

(1) First, to the payment of all reasonable costs and expenses of collection, fees, and other amounts due to the Trustee hereunder; and thereafter,

(2) All such monies shall be applied as follows:

(A) first, to the payment to the persons entitled thereto of all installments of interest on Outstanding Bonds then due, in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference;

(B) second, to the payment to the persons entitled thereto of the unpaid principal, of any of the Outstanding Bonds which shall have become due (other than Bonds called for redemption for the payment of which monies are held pursuant to the provisions of this Ordinance), in the order of their due dates, with interest upon such Outstanding Bonds from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full Outstanding Bonds due on any particular date, together with such interest, then to the payment first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal ratably according to the amount of such principal due on such date, to the persons entitled thereto without any discrimination or preference;

(C) third, to the payment of the redemption premium, if any, on and the principal of any Outstanding Bonds called for redemption pursuant to the provisions of this Ordinance; and

(D) fourth, to the payment of any obligations payable solely from the Municipal Account of the Special Tax Allocation Fund in such order of priority as set forth in a related ordinance.

Whenever monies are to be applied by the Trustee pursuant to the provisions of this paragraph, such monies shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard to the amount of such monies available for application and the likelihood of additional monies becoming available for such application in the future. The deposit of such monies with the paying agents, or otherwise setting aside such monies, in trust for the proper purpose, shall constitute proper application by the Trustee; and the Trustee shall incur no liability whatsoever to the Village to any Bondholder or to any other person for any delay in applying any such funds, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of this Ordinance as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such funds, it shall fix the date (which shall be an interest payment date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal paid on such date shall cease to accrue. The Trustee shall give such notice as it may

deem appropriate of the fixing of any such date and of the endorsement to be entered on each Bond on which payment shall be made, and shall not be required to make payment to the holder of any unpaid Bond until such Bond shall be presented to the Trustee for appropriate endorsement, or some other procedure deemed satisfactory by the Trustee.

SECTION 49. THIS ORDINANCE A CONTRACT.

The provisions of this Ordinance shall constitute a contract between the Village and the registered owners of the Bonds, and no changes, additions or alterations of any kind shall be made hereto, except as herein provided.

SECTION 50. SUPPLEMENTAL ORDINANCES.

Supplemental ordinances may be passed as follows:

(a) *Supplemental Ordinances Not Requiring Consent of Bondholders.* The Village by the Corporate Authorities, and the Trustee from time to time and at any time, subject to the conditions and restrictions in this Ordinance contained, may pass and accept an ordinance or ordinances supplemental hereto, which ordinance or ordinances thereafter shall form a part hereof, for any one or more of the following purposes:

(i) To add to the covenants and agreements of the Village in this Ordinance contained, other covenants and agreements thereafter to be observed or to surrender, restrict or limit any right or power herein reserved to or conferred upon the Village;

(ii) To make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Ordinance, or in regard to matters or questions arising under this Ordinance, as the Village may deem necessary or desirable and not inconsistent with this Ordinance and which in the opinion of the Trustee shall not adversely affect the interests of the registered owners of the Bonds;

(iii) To designate one or more bond registrars or paying agents;

(iv) To comply with the provisions of Section 21(c) hereof when money and the Government Securities designated therein sufficient to provide for the retirement of Bonds shall have been deposited with the Trustee; and

(v) as to Bonds which are authorized but unissued hereunder:

(1) to change the amount of Bonds authorized, or

(2) to change in any way the terms upon which such Bonds may be issued or secured.

Any supplemental ordinance authorized by the provisions of this Section may be passed by the Village and accepted by the Trustee without the consent of the registered owners of any of the Bonds at the time outstanding, but only upon receipt of an opinion of bond counsel if requested pursuant to the provisions of paragraph (f) of this Section 50, notwithstanding any of the provisions of paragraph (b) of this Section, but the Trustee shall not be obligated to accept any such supplemental ordinance which affects the Trustee's own rights, duties or immunities under this Ordinance or otherwise.

(b) *Supplemental Ordinances Requiring Consent of Bondholders.* With the consent (evidenced as provided in Section 54) of the registered owners of not less than 66% in aggregate principal amount of the Bonds, respectively, at the time outstanding, the Village, by the Corporate Authorities may pass, and the Trustee may accept from time to time and at any time an ordinance or ordinances supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Ordinance or of any supplemental ordinance; provided that no such modification or amendment shall extend the maturity or reduce the interest rate on or otherwise alter or impair the obligation of the Village to pay the principal, interest or redemption premium, if any, at the time and place and at the rate and in the currency provided therein of any Bond without the express consent of the registered owner of such Bond or permit the creation of a preference or priority of any Bond or Bonds over any other Bond or Bonds, or reduce the percentage of Bonds required for the affirmative vote or written consent to an amendment or modification, or deprive the registered owners of the Bonds, respectively, (except as aforesaid) of the right to payment of the Bonds, respectively, from the Pledged Taxes without the consent of the registered owners of all the Bonds then outstanding. Upon receipt by the Trustee of a certified copy of such ordinance and upon the filing with the Trustee of evidence of the consent of Bondholders as aforesaid, the Trustee shall accept such supplemental ordinance unless such supplemental ordinance affects the Trustee's own rights, duties or immunities under this Ordinance or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, accept such supplemental ordinance.

It shall not be necessary for the consent of the Bondholders under this paragraph to approve the particular form of any proposed supplemental ordinance, but it shall be sufficient if such consent shall approve the substance thereof.

(c) *Supplemental Ordinance to Modify this Ordinance.* Upon the execution of any supplemental ordinance pursuant to the provisions of this Section, this Ordinance shall be modified and amended in accordance therewith and the respective rights, duties and obligations under this Ordinance of the Village, the Trustee and all registered owners

of Bondholders, respectively, outstanding thereunder shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendments, and all the terms and conditions of any such supplemental ordinance shall be and be deemed to be part of the terms and conditions of this Ordinance for any and all purposes.

(d) *Trustee May Rely Upon Opinion of Counsel Re: Supplemental Ordinance.* The Trustee may receive an opinion of counsel as conclusive evidence that any supplemental ordinance executed pursuant to the provisions of this Section complies with the requirements of this Section.

(e) *Notation.* Bonds authenticated and delivered after the execution of any supplemental ordinance pursuant to the provisions of this Section may bear a notation, in form approved by the Trustee, as to any matter provided for in such supplemental ordinance, and if such supplemental ordinance shall so provide, new bonds, or a note, so modified as to conform, in the opinion of the Trustee and the Corporate Authorities, to any modification of this Ordinance contained in any such supplemental ordinance, may be prepared by the Village, authenticated by the Trustee and delivered without cost to the registered owners of the Bonds then outstanding, upon surrender for cancellation of such Bonds or Note, in equal aggregate principal amounts.

(f) *Opinion of Counsel.* Prior to the adoption of a supplemental ordinance executed pursuant to the provisions of this Section, the Trustee shall give written notice by mail to the registered owners of all Bonds Outstanding at the addresses as set forth in the Bond Register of the substance of the proposed supplemental ordinance. If within 10 days of the Trustee's mailing such notice any registered owner of the Bonds requests that an opinion of bond counsel be delivered to the effect that such supplemental ordinance will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes, such supplemental ordinance shall not become effective until such opinion has been delivered to the Trustee.

SECTION 51. EFFECT OF CONSENTS.

After an amendment or supplement to this Ordinance becomes effective, it will bind every Bondholder. For purposes of determining the total number of Bondholders' consents, each Bondholder's consent will be effective with respect to the Bondholder who consented to it and each subsequent holder of a Bond or portion of a Bond evidencing the same debt as the consenting holder's Bond.

SECTION 52. SIGNING BY TRUSTEE OF AMENDMENTS AND SUPPLEMENTS.

The Trustee will sign any amendment or supplement to the Ordinance or the Bonds authorized hereunder if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee. If it does, the Trustee may, but need not, sign it. In signing an amendment or supplement, the Trustee will be entitled to receive and (subject to Section 32 of this Ordinance) will be fully protected in relying on an opinion of counsel stating that such amendment or supplement is authorized by this Ordinance.

SECTION 53. NOTICES.

(a) Any notice, request, direction, designation, consent, acknowledgment, certification, appointment, waiver or other communication required or permitted by this Ordinance or the Bonds must be in writing except as expressly provided otherwise in this Ordinance or the Bonds.

(b) Any notice or other communication shall be sufficiently given and deemed given when delivered by hand or overnight express delivery or mailed by first-class mail, postage prepaid, addressed as follows: if to the Village, to Village of Willow Springs, 8156 South Archer Avenue, Willow Springs, Illinois 60480, Attention: Village Clerk; if to the Trustee, to Amalgamated Bank of Chicago, One West Monroe Street, Chicago, Illinois 60603 Attention: Corporate Trust Administration. Any addressee may designate additional or different addresses for purposes of this Section.

(c) Any notice or other communication required to any Bondholder shall be sufficiently given and deemed given when delivered by hand or mailed by first-class mail, postage prepaid, addressed to such Bondholder at the address set forth in the Bond Register.

(d) Any notice or other communication required to be given directly to any owner of \$500,000 or more in aggregate principal amount of Bonds then outstanding shall be sufficiently

given and deemed given when delivered by hand or mailed by first-class mail, postage prepaid, to such owner at the address provided by the Depository.

SECTION 54. BONDHOLDERS' CONSENTS.

Any consent or other instrument required by this Ordinance to be signed by Bondholders may be in any number of concurrent documents and may be signed by a Bondholder by the holder's agent appointed in writing. Proof of the execution of such instrument or of the instrument appointing an agent and of the ownership of Bonds, if made in the following manner, shall be conclusive for any purposes of this Ordinance with regard to any action taken by the Trustee under the instrument:

(a) The fact and date of a person's signing an instrument may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within that jurisdiction that the person signing the writing acknowledged before the officer the execution of the writing, or by an affidavit of any witness to the signing.

(b) The fact of ownership of Bonds, the amount or amounts, numbers and other identification of such Bonds and the date of holding shall be proved by the registration books kept pursuant to this Ordinance.

Any action, consent or other instrument shall be irrevocable and shall bind any subsequent owner of such Bond or any Bond delivered in substitution therefor.

For purposes of determining consent under this Ordinance of holders of the Bonds, the outstanding principal amount of the Bonds shall be deemed to exclude the Bonds owned by or under the control of the Village.

SECTION 55. LIMITATION OF RIGHTS.

Nothing expressed or implied in this Ordinance or the Bonds shall give any person other than the Trustee, the Village, or the Bondholders any right, remedy or claim under or with respect to this Ordinance.

SECTION 56. TRUSTEE COVENANTS. If requested by the Trustee, the Designated Officers are authorized to execute a Trustee's agreement between the Village and the Trustee with respect to the obligations and duties of the Trustee hereunder. Such duties shall include the following:

(a) to act as Trustee, authenticating agent, Trustee and transfer agent as provided herein;

(b) to maintain a list of Bondholders as set forth herein and to furnish such list to the Village upon request, but otherwise to keep such list confidential to the extent permitted by law;

(c) to give notice, if any, of redemption of Bonds as provided herein;

(d) to cancel and/or destroy Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer;

(e) to furnish the Village at least annually a certificate with respect to Bonds cancelled and/or destroyed; and

(f) to furnish the Village at least annually an audit confirmation of Bonds paid, Outstanding Bonds and payments made with respect to interest on the Bonds.

The Village Clerk is hereby directed to file a certified copy of this Ordinance with the Trustee.

The Village covenants with respect to the Trustee, and the Trustee further covenants and agrees as follows:

A. The Village shall at all times retain a bond registrar with respect to the Bonds; it will maintain at the designated office(s) of such bond registrar a place or places where Bonds may be presented for payment, registration, transfer or exchange; and it will require that the Trustee properly maintain the Bond Register and perform the other duties

and obligations imposed upon it by this Ordinance in a manner consistent with the standards, customs and practices of the municipal securities industry.

B. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by this Ordinance by executing the certificate of authentication on any Bond, and by such execution the Trustee shall be deemed to have certified to the Village that it has all requisite power to accept and has accepted such duties and obligations not only with respect to the Bond so authenticated but with respect to all the Bonds. Any Trustee shall be the agent of the Village and shall not be liable in connection with the performance of its duties except for its own negligence or willful wrongdoing. Any Trustee shall, however, be responsible for any representation in its certificate of authentication on Bonds.

C. The Village may remove the Trustee at any time. In case at any time the Trustee shall resign, shall be removed, shall become incapable of acting, or shall be adjudicated a bankrupt or insolvent, or if a receiver, liquidator, or conservator of the Trustee or of the property thereof shall be appointed, or if any public officer shall take charge or control of the Trustee or of the property or affairs thereof, the Village covenants and agrees that it will thereupon appoint a successor Trustee. The Village shall give notice of any such appointment made by it to each registered owner of any Bond within twenty days after such appointment in the same manner, or as nearly the same as may be practicable, as for a redemption of Bonds. Any Trustee appointed under the provisions of this Section shall be a bank, trust company, or national banking association maintaining its principal corporate trust office in Illinois, and having capital and surplus and undivided profits in excess of \$10,000.

SECTION 57. INSURANCE. In the event the payment of principal of and interest on the Bonds is insured pursuant to a municipal bond insurance policy (a "*Municipal Bond Insurance Policy*") issued by a Bond Insurer, and as long as such Municipal Bond Insurance Policy shall be in full force and effect, the Village and the Trustee agree to comply with such usual and reasonable provisions regarding presentment and payment of such Bonds, subrogation of the rights of the Bondholders to the Bond Insurer when holding such Bonds, amendment hereof, or other terms, as approved by any of the Village officers on advice of counsel, his or her approval to constitute full and complete acceptance by the Village of such terms and provisions under authority of this Section.

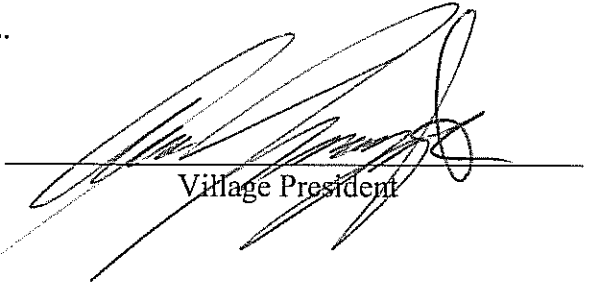
SECTION 58. SEVERABILITY. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance.

SECTION 59. REPEALER. All ordinances, resolutions or orders, or parts thereof, in conflict with the provisions of this Ordinance are to the extent of such conflict hereby repealed.

SECTION 60. EFFECTIVE DATE. This ordinance shall be effective immediately upon its passage and approval.

PASSED this 23rd day of February, 2012.

APPROVED: this 23rd day of February, 2012.


Village President

AYES: Trustees: George Bartik, Mario Imbarrato, Annette Kaptur, Kevin Maloney,
Kathy Stanphill and Jerry Strazzante.

NAYS: none

ABSENT: none

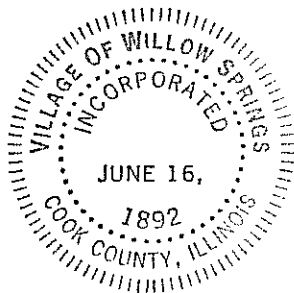
RECORDED in the Village Records on the 23rd day of February, 2012.

Published in pamphlet form by authority of the Corporate Authorities on the 23rd day of
February, 2012.

ATTEST:


Village Clerk

[SEAL]



STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

CERTIFICATION OF ORDINANCE AND MINUTES

I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Willow Springs, Cook County, Illinois (the "*Village*"), and as such officer I am the keeper of the books, records, files, and journal of proceedings of the Village and of the President and Board of Trustees (the "*Corporate Authorities*") thereof.

I do further certify that the foregoing constitutes a full, true and complete transcript of the minutes of the legally convened meeting of the Corporate Authorities held on the 23rd day of February, 2012, insofar as same relates to the adoption of an ordinance numbered 2012-O-04 and entitled:

AN ORDINANCE authorizing the issuance of \$1,765,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2012B, of the Village of Willow Springs, Cook County, Illinois, for the purpose of refunding certain outstanding obligations of the Village and providing for the imposition of taxes and the collection, segregation and distribution of certain revenues of the Village to pay said bonds.

a true, correct and complete copy of which said ordinance as adopted at said meeting appears in the foregoing transcript of the minutes of said meeting.

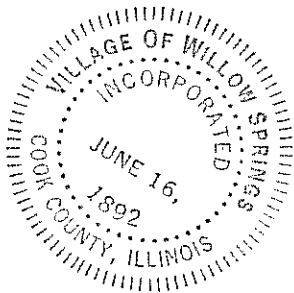
I do further certify that the deliberations of the Corporate Authorities on the adoption of said ordinance were taken openly; that the vote on the adoption of said ordinance was taken openly; that said meeting was held at a specified time and place convenient to the public; that notice of said meeting was duly given to all of the news media requesting such notice of said meeting was duly given to all of the news media requesting such notice; that notice of the meeting was posted at the location where said meeting was held and at the principal office of the Corporate Authorities on a day which was not a Saturday, Sunday or legal holiday for Illinois

municipalities and at least 48 hours in advance of holding said meeting; that said agenda described or made specific reference to said ordinance; that a true, correct and complete copy of said agenda as so posted is attached hereto; that said meeting was called and held in strict accordance with the provisions of the Illinois Municipal Code and the Open Meetings Act of the State of Illinois, as amended; and that the Corporate Authorities have complied with all of the applicable provisions of said laws and its own procedural rules in the adoption of said ordinance.

IN WITNESS WHEREOF I have hereunto affixed my official signature and the seal of the Village, this 23rd day of February, 2012.


Village Clerk

[SEAL] **Village Clerk to Attach Agenda**



**AGENDA
REGULAR VILLAGE BOARD MEETING
VILLAGE OF WILLOW SPRINGS
THE PRESIDENT AND BOARD OF TRUSTEES**

February 23, 2012

| | | |
|-------------------------|---|--|
| Meeting to Order: | President Nowaczyk | 7:00 p.m. |
| Roll Call: | Clerk Baskovich | President Nowaczyk Trustees: Bartik, Kaptur, Imbarola, Maloney, Stanphill & Strazzante |
| Pledge of Allegiance | | |
| Public Hearing: | None. | |
| Presentations: | | |
| Open the Floor: | | |
| Approval of Minutes | Minutes for the following meetings: <ul style="list-style-type: none">• Feb. 16, 2012 Public Hearing #1 Public Comment on Cook County Community Block Grant Projects• Feb. 16, 2012 Public Hearing #2 Presentation of Willow Springs CCCBG Application for 2012• Feb. 16, 2012 Committee of the Whole Meeting• Feb. 16, 2012 Board Meeting• Jan. 26, 2012 Public Hearing for 2012 Bond Issues (two items) | |
| President's Report: | Update | |
| Engineer's Report: | None | |
| Administrator's Report: | Update | |
| Attorney's Report: | Update | |
| Ordinance Committee: | Ordinance #2012-O-03 2012 A Bond | |

An Ordinance authorizing the issuance of \$1,100,000 Taxable General Obligation Bonds (Alternate Revenue Source), Series 2012A, of the Village of Willow Springs, Cook County, Illinois, for the purpose of paying certain police pension obligations, and providing for the imposition of taxes and the collection, segregation and distribution of certain revenues of the Village to pay the same.

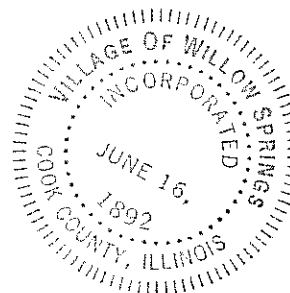
Ordinance #2012-O-04 2012 B Bond

An Ordinance authorizing the issuance of \$1,765,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2012B, of the Village of Willow Springs, Cook County, Illinois, for the purpose of refunding certain outstanding obligations of the Village and providing for the imposition of taxes and the collection, segregation and distribution of certain revenues of the Village to pay said bonds.

Ordinance #2012-O-05 2012 C Bond

An Ordinance providing for the issuance of \$160,825 General Obligation Limited Tax Bonds, Series 2012C, of the Village of Willow Springs, Cook County, Illinois, and providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds.

| | | |
|--------------------------|---|-------------------------|
| | Resolution #2012-R-02 Closure of Archer Avenue for Little League Opening Day April | |
| Finance Committee: | Warrants dated February 23, 2012 | |
| | Acceptance Low Bid for sale of 2012 A Bond | (see description above) |
| | Acceptance Low Bid for sale of 2012 B Bond | (see description above) |
| | Acceptance Low Bid for sale of 2012 C Bond | (see description above) |
| Treasurer's Report: | None | |
| Streets & Alleys: | No report | |
| J-WS Commission: | | |
| Police & Fire Committee: | No report | |
| Business License: | No report | |
| Building Committee: | No report | |
| Clerk's Report: | Update Newsletter/Vehicle Stickers | |
| Executive Session: | None | |
| Old Business: | | |
| New Business: | | |
| Adjourned: | | |



Next available numbers

Ord #2012-O-06

Res #2012-R-03

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

CERTIFICATE OF PUBLICATION IN PAMPHLET FORM

I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Willow Springs, Cook County, Illinois (the "*Village*"), and as such official I am the keeper of the official journal of proceedings, books, records, minutes, and files of the Village and of the President and Board of Trustees (the "*Corporate Authorities*") thereof.

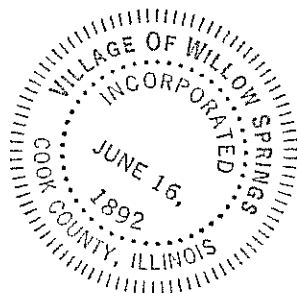
I do further certify that on the 23rd day of February, 2012, there was published in pamphlet form, by authority of the Corporate Authorities, a true, correct and complete copy of Ordinance Number 2012-O-04 of the Village entitled:

AN ORDINANCE authorizing the issuance of \$1,765,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2012B, of the Village of Willow Springs, Cook County, Illinois, for the purpose of refunding certain outstanding obligations of the Village and providing for the imposition of taxes and the collection, segregation and distribution of certain revenues of the Village to pay said bonds.

and that said ordinance as so published was on said date readily available for public inspection and distribution, in sufficient number to meet the needs of the general public, at my office as Village Clerk in Willow Springs, Illinois.

IN WITNESS WHEREOF I have affixed hereto my official signature and the seal of the Village this 23rd day of February, 2012.

[SEAL]




Village Clerk

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

FILING CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of Cook, Illinois (the "*County*"), and as such officer I do hereby certify that on the ____ day of February, 2012, there was filed in my office a duly certified copy of an ordinance numbered 2012-O-04 and entitled:

AN ORDINANCE authorizing the issuance of \$1,765,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2012B, of the Village of Willow Springs, Cook County, Illinois, for the purpose of refunding certain outstanding obligations of the Village and providing for the imposition of taxes and the collection, segregation and distribution of certain revenues of the Village to pay said bonds.

passed by the President and Board of Trustees of the Village of Willow Springs, Cook County, Illinois, on the 23rd day of February, 2012, and approved by the President of said Village; and that the same has been deposited in the official files and records of my office.

IN WITNESS WHEREOF I have hereunto affixed my official signature and the seal of the County this ____ day of February, 2012.

County Clerk of The County of
Cook, Illinois

[SEAL]

EXTRACT OF MINUTES of a regular public meeting of the President and Board of Trustees of the Village of Willow Springs, Cook County, Illinois, held at the Willow Springs Village Hall, Willow Springs, Illinois, at 7:00 p.m., on the 23rd day of February, 2012.

The President called the meeting to order and directed the Village Clerk of the Village to call the roll.

Upon the roll being called, the President and the following Trustees answered physically present at said location: President Nowaczyk, Trustees: George Bartik, Mario Imbarrato, Annette Kaptur, Kevin Maloney, Kathy Stanphill and Jerry Strazzante.

The following Trustees were allowed by a majority of the Trustees in accordance with and to the extent allowed by rules adopted by the President and Board of Trustees to attend the meeting by video or audio conference: N/A

No Trustee was not permitted to attend the meeting by video or audio conference.

The following Trustees were absent and did not participate in the meeting in any manner or to any extent whatsoever: N/A

The President announced that the President and Board of Trustees would next consider the adoption of an ordinance entitled:

AN ORDINANCE authorizing the issuance of \$1,765,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2012B, of the Village of Willow Springs, Cook County, Illinois, for the purpose of refunding certain outstanding obligations of the Village and providing for the imposition of taxes and the collection, segregation and distribution of certain revenues of the Village to pay said bonds.

(the "*Bond Ordinance*"). Thereupon, Trustee George Bartik presented and the Village Attorney explained the Bond Ordinance, which was before the President and Board of Trustees in words and figures as follows.

The President then gave a public recital of the nature and purpose of the ordinance, which included a reading of the title of the ordinance and statements (1) that the ordinance provided for

the issuance of general obligation alternate bonds for the purpose of refunding certain outstanding General Obligation Bonds (Alternate Revenue Source), of the Village, (2) that the bonds are issuable pursuant to authority of the Illinois Municipal Code, the Local Government Debt Reform Act and certain previous proceedings of the President and Board of Trustees, (3) that the ordinance provides for the bonds to be secured by a portion of (A) the tax increment revenues derived from said redevelopment project area and (B) moneys to the credit of and on deposit in the special tax allocation fund heretofore established by the Village for said redevelopment project area, but there is also a back-up levy of taxes to pay the bonds, and (4) that the ordinance provides many details for the bonds, including provision for terms and form of the bonds, and appropriations.

Thereupon the President directed that the roll be called for a vote upon the motion to adopt such ordinance.

Upon the roll being called, the following Trustees voted:

AYE: George Bartik, Mario Imbarrato, Annette Kaptur, Kevin Maloney, Kathy Stanphill
and Jerry Strazzante.

NAY: None

ABSENT: None

Whereupon the President declared the motion carried and the ordinance adopted, and did direct the Village Clerk to record the same in full in the records of the President and Board of Trustees, which was thereupon done.

Other business not pertinent to the adoption of said ordinance was duly transacted at said meeting.

Upon motion duly made and seconded, the meeting was adjourned.


Village Clerk